Reliance ETF Liquid BeES
(An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo/Repo & Reverse Repo with daily Dividend and compulsory reinvestment of Dividend)

Scheme Information Document

Product Label

<table>
<thead>
<tr>
<th>This product is suitable for investors who are seeking*:</th>
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<tbody>
<tr>
<td>• Current income with high degree of liquidity.</td>
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<tr>
<td>• Investment in Tri-Party Repo/Repo &amp; Reverse Repo</td>
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<td>predominantly &amp; Money Market Instruments.</td>
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*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Continuous offer of Units at NAV based prices

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres /Website / Distributors or Brokers.

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 / www.relianceetf.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.

This Scheme Information Document is dated March 28, 2019. The trustees have ensured that Reliance ETF Liquid BeES is a new product offered by Reliance Mutual Fund and is not a minor modification of the existing scheme/fund/product.

NAME OF MUTUAL FUND
Reliance Mutual Fund (RMF)

NAME OF ASSET MANAGEMENT COMPANY
Reliance Nippon Life Asset Management Limited (RNAM)
CIN : L65910MH1995PLC220793

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

Registered Office (RMF, RNAM, RCTC)
Reliance Centre, 7th Floor South Wing.
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.
Tel No. - 022- 33031000; Fax No. - 022- 33037662
Website : www.reliancemutual.com / www.relianceetf.com
Disclaimers by NSE

As required a copy of this SID has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given permission to the Fund to use the Exchange’s name in this SID as one of the stock exchange on which the Fund’s Units are proposed to be listed subject to, the Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the 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 SID 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 SID; nor does it warrant that the 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 Fund, its promoters, its management or any Scheme or project of the Fund.

Every person who desires to apply for or otherwise acquire any Units of the 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.

Disclaimer by the Index Provider:

Performance of the underlying index will have a direct bearing on the performance of the Scheme. In the event the index is dissolved or is withdrawn by the index provider, the Trustee reserves a right to modify the Scheme so as to track a different and suitable index and the procedure stipulated in the SEBI Regulations shall be complied with.

1. India Index Services & Products Ltd.: The owner and provider of the index

   a) The Product i.e Reliance ETF Liquid BeES is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (“IISL”)). NSE Indices Limited does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the underlying index to track general equity or fixed income market performance in India. The relationship of NSE Indices Limited to the Issuer is only in respect of the licensing of the Indices and certain trademarks and trade names associated with such Indices which is determined, composed and calculated by NSE Indices Limited without regard to the Issuer or the Product(s). NSE Indices Limited does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the underlying index. NSE Indices Limited is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE Indices Limited has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

   b) NSE Indices Limited do not guarantee the accuracy and/or the completeness of the underlying index or any data included therein and NSE Indices Limited shall have not have any responsibility or liability for any errors, omissions, or interruptions therein. NSE Indices Limited does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the underlying index or any data included therein. NSE Indices Limited makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE Indices Limited expressly disclaim any and all liability for any claims, damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.
1. INVESTMENT OBJECTIVE

The investment objective of Reliance ETF Liquid BeES is to seek to provide current income, commensurate with low risk while providing a high level of liquidity through a portfolio of Tri-Party Repo / Repo & Reverse Repo. The Scheme will provide returns that before expenses, closely correspond to the returns of Nifty 1D Rate index.

There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

2. BENCHMARK INDEX

Nifty 1D Rate Index

3. FACE VALUE

Rs. 1,000/- per Unit

4. TYPE OF SCHEME

An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo/Repo & Reverse Repo with daily Dividend and compulsory reinvestment of Dividend

5. LIQUIDITY FACILITY

The Units of the Scheme can be bought / sold like any other stock on the National Stock Exchange of India Ltd. (NSE) or directly buy/sell Units with the Fund in Creation Unit size.

6. TRANSPARENCY/ NAV DISCLOSURE

a) The NAV will be calculated and disclosed at the close of every Business Day and uploaded on the AMFI website www.amfiindia.com and Reliance Mutual Fund website i.e. www.reliancemutual.com by 9.00 p.m. on the day of the declaration of the NAV. Further, AMC shall extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs.

b) The NAV of the Scheme will be calculated and declared by the Fund on every Working Day. The information on NAV may be obtained by the Unitholders, on any business day from the office of the AMC / the office of the Registrar in Hyderabad or any of the other Designated Investor Service Centres. Investors may also obtain information on the purchase /sale price for a given day on any Working Day from the office of the AMC / the office of the Registrar in Hyderabad/ any of the other Designated Investor Service Centres. Investors may also note that Reliance Mutual Fund shall service its customers through the call center from Monday to Saturday between 8.00 am to 9.00 pm. However, 24x7 facility shall be available for addressing the queries through interactive voice response (IVR) and for hot listing the Reliance Any Time Money Card. Investor may also call customer service centre at 3030 1111, callers outside India (Toll Free No. 1800-300-11111), please dial 91-22-30301111

(c) The AMC will disclose the Half-yearly Unaudited Financial Results in the prescribed format on the RMF website i.e. www.reliancemutual.com and communicate to the Unit holders with such timelines as may be prescribed under the Regulations from time to time.

(d) Providing of the Annual Reports of the respective Schemes within the stipulated period as required under the Regulations.

(e) The AMC shall disclose the scheme’s portfolio in the prescribed format as on the last day of the month/Half year for all the Schemes of RMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the RMF Website i.e. www.reliancemutual.com and AMFI website www.amfiindia.com

The AMC shall communicate disclosure of Portfolio on a half-yearly basis to the Unitholders as may be prescribed under the Regulations from time to time.

(f) In case of unitholders whose e-mail addresses are registered, the Mutual Funds/ AMCs shall send via email both the monthly and half-yearly statement of scheme portfolio within 10 days from the close of each month/ half-year respectively.

(g) Since the scheme is listed on the exchange the listed price on respective stock exchange shall be applicable.

7. LOAD STRUCTURE

Entry Load - Nil
Exit Load - Nil

Investor other than Authorised Participants/Large investors can directly approach AMC for redemption in less than creation unit size and no exit load shall be charged for redemption of units if

a) Traded price of the ETF units is at discount of more than 3% to the NAV for continuous 30 days, or

b) Discount of bid price to NAV over a period of 7 consecutive days is greater than 3%, or

c) No quotes are available on exchange for 3 consecutive trading days, or

d) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received upto 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application.

Such instances shall be tracked by RNAM on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Reliance Mutual Fund i.e. www.reliancemutual.com / www.relianceetf.com
8. **MINIMUM APPLICATION**
   Reliance ETF Liquid BeES in Creation Unit size, Investors can also subscribe/Redeem Units of Reliance ETF Liquid BeES on the Stock Exchange for 1 unit and multiples thereof.

9. **UNITS OFFERED**
   As the Units of the Scheme can be bought/sold directly from the Fund, this mechanism provides efficient arbitrage between the traded prices and the NAV, thereby reducing the incidence of the Units of the Scheme being traded at premium/discounts to NAV.

10. **DEMATERIALISATION**
    The Units of the Scheme are available in dematerialized form. This helps in consolidating with other portfolio holdings.
A. RISK FACTORS

1. STANDARD RISK FACTORS

a) Investment in the Mutual Fund’s Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Further, there is no assurance or guarantee that the objective of the Scheme will be achieved.

b) As the price/value/interest rates of the Securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on the factors and forces affecting the capital market in India.

c) Past performance of the Sponsors/AMC/ Mutual Fund does not guarantee the future performance of the Scheme.

d) The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns. Investors are therefore urged to study the terms of the Scheme carefully and consult their investment advisor before they invest in the Scheme.

e) From time to time and subject to the SEBI Regulations, the Sponsor, their affiliates, associates, subsidiaries, the Mutual Fund and the AMC may invest directly or indirectly in the Scheme. These entities may acquire a substantial portion of the Scheme’s Units and collectively constitute a major Investor in the Scheme. Accordingly, Redemption of Units held by such entities may have an adverse impact on the Scheme because the timing of such Redemption may impact the ability of other Unit holders to Redeem their Units.

f) The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of Rs. 1,00,000/- (Rupees One Lakh only) towards setting up of the Mutual Fund. The associates of the Sponsor are not responsible or liable for any loss or shortfall resulting from operation of the Scheme.

g) Different types of Securities in which the Scheme would invest as given in this Scheme Information Document carry different levels and types of risks. Accordingly the Scheme’s risk may increase or decrease depending upon its investment pattern. For example, equity and Securities carry a higher amount of risk than debt Securities.

h) As permitted under the SEBI Regulations, the AMC will engage the services of Distributors for the distribution of Units of the Scheme and may make differential payment to the Distributors based on varying fee structures as may be agreed between the AMC and each of the Distributors, the amount of which would typically be connected to the volume of sales.

i) Investment decisions made by the AMC may not always be profitable.

j) The present Scheme is not a guaranteed or assured return Scheme.

2. SCHEME SPECIFIC RISK FACTORS:

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect the Scheme’s NAV, yield, return and/or its ability to meet its objective.

(a) Risks relating to Investing in Indian Markets

Investments in India may be affected by political, social, and economic developments affecting India, which may include changes in exchange rates and controls, interest rates, government policies, diplomatic conditions, hostile relations with neighbouring countries, taxation policies including the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitation on removal of funds or assets of the Scheme and ethnic, religious and racial disaffections or conflict.

The relative small size and inexperience of the Securities markets in India and the limited volume of trading in Securities may make the Scheme’s investments illiquid and more volatile than investments in more established markets.

In addition, the settlement systems may be less developed than in more established markets, which could impede the Scheme’s ability to effect portfolio transactions and may result in delayed settlement and the Scheme’s investments being settled through a more limited range of counter parties with an accompanying enhanced credit risk.

To the extent the Scheme is subject to margining or pre-payment systems, whereby margin or the entire settlement proceeds for a transaction is required to be posted prior to the settlement date, this can potentially give rise to credit and operational risks as well as potentially borrowing costs for the Scheme.

(b) Market Risk

The NAV of the Scheme will react to the securities market movements. The Investor may lose money over short or long periods due to fluctuation in the Scheme’s NAV in response to factors such as economic, political, social instability or diplomatic developments, changes in interest rates and perceived trends in stock prices, market movements and over longer periods during market downturns. Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding taxes on Dividend or interest payments, limitations on the removal of funds or assets of the Scheme. The Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

(c) Market Trading Risks

1. **Absence of Prior Active Market**: Although the Scheme is listed on NSE, there can be no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the Units of the Scheme would be infrequent.

2. **Trading in Units may be Halted**: Trading in the Units of the Scheme on NSE may be halted because of market conditions or for reasons that in view of NSE or SEBI, trading in the Units of the Scheme are not advisable. In addition, trading of the Units of the Scheme are subject to trading halts caused by extraordinary market volatility and pursuant to NSE and SEBI ‘circuit filter’ rules. There can be no assurance that the requirements of NSE necessary to maintain the listing of the Units of the Scheme will continue to be met or will remain unchanged.
3. **Lack of Market Liquidity:** The Scheme may not be able to immediately sell certain types of illiquid Securities. The purchase price and subsequent valuation of restricted and illiquid Securities may reflect a discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

4. **Units of the Scheme May Trade at Prices Other than NAV:** The Units of the Scheme may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the holdings of the Scheme. The trading prices of the Units of the Scheme will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Scheme. However, given that Units of the Scheme can be created and Redeemed in Creation Units directly with the Fund, it is expected that large discounts or premiums to the NAV of Units of the Scheme will not sustain due to arbitrage opportunity available.

5. **Regulatory Risk:** Any changes in trading regulations by NSE or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

6. **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the Securities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

7. **Risk of Substantial Redemptions:** Substantial Redemptions of Units within a limited period of time could require the Scheme to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Units being Redeemed and that of the outstanding Units of the Scheme. The risk of a substantial Redemption of the Units may be exacerbated where an investment is made in the Scheme as part of a structured product with a fixed life and where such structured products utilise hedging techniques. Please also refer Statement of Additional Information for additional details.

Regardless of the period of time in which Redemptions occur, the resulting reduction in the NAV of the Scheme could also make it more difficult for the Scheme to generate profits or recover losses. The Trustee, in the general interest of the Unit holders of the Scheme offered under this SID and keeping in view of the unforeseen circumstances/ unusual market conditions, may limit the total number of Units which can be Redeemed on any Working Day depending on the total “Saleable Underlying Stock” available with the Fund.

(d) **Volatility Risk**

The Derivative markets are volatile and the value of Derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Scheme to decrease.

(e) **Redemption Risk**

Investors may note that even though the Scheme is an open-ended Scheme, the Scheme would ordinarily repurchase Units in Creation Unit size. Unit holdings less than the Creation Unit size can only be sold through the secondary market on the Exchange unless no quotes are available on the NSE for 5 trading days consecutively.

(f) **Asset Class Risk**

The returns from the types of Securities in which the Scheme invests may under perform returns of general Securities markets or different asset classes. Different types of Securities tend to go through cycles of out-performance and under-performance in comparison of Securities markets.

(g) **Risks relating to Investments in Derivative Instruments**

The Scheme may invest in Derivative products like interest rate swaps, forward rate agreements or other Derivatives in accordance with and to the extent permitted under the SEBI Regulations. The Scheme may use various Derivative products in an attempt to protect the value of portfolio and enhance the Unit holders’ interest. The risks associated with the use of Derivatives are different from or possibility greater than the risks associated with investing directly in Securities and other traditional investments.

Derivative products are leveraged instruments that require investment technique and risk analysis different from those associated with stocks and bonds. Derivative products 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 the 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.

Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of Derivatives requires an understanding not only of the underlying instrument but also 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. There is a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the “Counter party”) to comply with the terms of the Derivative contract. Therefore a default on the contract would deprive the Scheme of unrealised profits and/ or the hedging benefits of the contract or force the Scheme to cover its purchase or sale commitments, if any, at the current market price. Other risks in using Derivatives include the risk of mis-pricing or improper valuation of Derivatives and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. Thus, Derivatives are highly leveraged instruments. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial loss or gain. There may be a cost attached to selling or buying futures or other Derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling underlying Securities. The possible lack of a liquid secondary market for a futures contract or listed option may result in inability to close futures or listed option positions prior to their maturity date.

Even a small price movement in the underlying Security could have a large impact on their value.

If the Fund Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the
An investment in Derivatives may involve additional risks for Investors. These additional risks may arise as a result of any or all of the following: (i) the creditworthiness of the counterparties to such Derivative transactions; and/or (ii) the potential illiquidity of the markets for Derivatives. To the extent that Derivatives are utilised to seek to achieve the investment objective of the Scheme, and for purposes other than hedging, the overall risk of loss to the Scheme may be increased. To the extent that Derivatives are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the Derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.

In the event the Scheme is required to provide collateral for Derivatives which is to be transferred to another party and where additional collateral is called by such other party the Fund Manager may be required to realize assets comprised in the Scheme which it would not have sought to realize had there not been a requirement to transfer or pledge additional collateral.

Derivatives require the maintenance of adequate controls to monitor the transactions entered into. The Scheme bear a risk that it may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme. Trading in Derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of significant profit or loss in comparison with the principal investment amount. Even a small price movement in the underlying asset could have a large impact on their value. The Scheme may find it difficult or impossible to execute Derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limits or circuit breakers, the Scheme may face liquidity issues. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of Derivatives.

Derivative transactions will generally require the use of a portion of the Scheme’s assets, as applicable, for margin or settlement payments or other purposes. For example, the Scheme may from time to time be required to make margin, settlement or other payments in connection with the use of certain Derivative instruments. Counterparties to any Derivative contract may demand payments on short notice. As a result, the Fund Manager may liquidate the Scheme’s assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid Securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. The Fund Manager generally expects the Scheme to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment objective of the Scheme, which may materially adversely affect the performance of the Scheme. Moreover, due to volatility in the currency markets and changing market circumstances, the Fund Manager may not be able to accurately predict future margin requirements, which may result in the Scheme holding excess or insufficient cash and liquid Securities for such purposes. Where the Scheme does not have cash or assets available for such purposes, the Scheme may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If the Scheme defaults on any of its contractual obligations, the Scheme and its Unit holders may be materially adversely affected.

- **ISDA Master Agreements**
  
  The Scheme may enter into Derivative transactions of the type governed by the ISDA Master Agreement (ISDA means International Swaps and Derivatives Association, Inc.). The ISDA Master Agreement is a standard agreement commonly used in the Derivatives market which sets forth key provisions governing the contractual relationship between the parties to such agreement, including each of their rights, liabilities and obligations.

  If the Trustees / AMC enters into transactions governed by the ISDA Master Agreement, such as interest rate swaps, on the Scheme’s behalf, it will also need to enter into a Credit Support Annex, which is an annex to the ISDA Master Agreement that is used to document bilateral credit support arrangements between parties for transactions governed by an ISDA Master Agreement, on such Scheme’s behalf. Following agreement with such other counterparty, upon the Trustees/ AMC entering into an initial or a further transaction governed by the ISDA Master Agreement including a foreign exchange transaction, currency option or, if relevant, interest rate swap on the Scheme’s behalf, an ISDA Master Agreement, amended to reflect any negotiated commercial and/or legal points, shall be immediately deemed to be entered into between the Scheme and such counterparty and any confirmation in respect of a transaction entered into thereunder (including such initial derivatives transaction) shall supplement and form part of such ISDA Master Agreement.

  On each date on which a Derivatives transaction is entered into by the Trustees / AMC, on behalf of the Scheme, the Scheme will be deemed to have given certain representations and undertakings to each Counter party with whom the ISDA Master Agreement is entered into on its behalf. Such representations and undertakings include, without limitation, representations and undertakings, from and in respect of the Scheme, as to the due establishment, good standing and corporate powers of the Scheme, the obtaining of all requisite consents and compliance with applicable Laws by the Scheme and the binding nature of obligations on the Scheme under the relevant ISDA Master Agreement and associated contracts and transactions. The Trustees / AMC must notify the Fund Manager if at any time it becomes aware that it is in breach of any such representations or unable to continue to comply with any such undertakings. Any such breach may, in addition to other potential consequences, lead to each relevant Counter party being able to unilaterally terminate its ISDA Master Agreement with the Trustees / AMC on behalf of the Scheme and to close out any open contracts with it.

(h) **Risks Associated with Investing in Debt Securities**

  i) **General Provisions**

  Debt Securities are subject to the risk of an issuer’s inability to meet principal and interest payments on the 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 Fund Manager will consider both credit risk and market risk in making investment decisions for the Scheme.

  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.

ii) Interest Rate Risk

Changes in interest rates will affect the Scheme’s NAV. The prices of Securities usually increase as interest rates decline and usually decrease as interest rates rise. The extent of fall or rise in the prices is guided by duration, which is a function of the existing coupon, days to maturity and increase or decrease in the level of interest rate. The new level of interest rate is determined by the rate at which the government raises new money and/or the price levels at which the market is already dealing in existing Securities. Prices of long-term Securities generally fluctuate more in response to interest rate changes than short-term Securities.

In case of Tri-Party Repo, the rate of interest, from time to time, depends upon the number of borrowers at that point of time and the amount to be borrowed by such borrowers.

In the case of Floating Rate Instruments, an additional risk could be due to the change in the spreads of Floating Rate Instruments. If the spreads on Floating Rate Instruments rise, then there could be a price loss on these instruments. Secondly in the case of fixed rate instruments that have been swapped for floating rates, any adverse movement in the fixed rate yields vis-à-vis swap rates could result in losses. The price risk is low in the case of the floating rate or inflation-linked bonds. The price risk does not exist if the investment is made under a Repo agreement.

Debt markets, especially in developing markets like India, can be volatile leading to the possibility of price moving up or down in fixed income Securities and thereby to possible movements in the NAV.

iii) Prepayment Risk

A borrower may prepay a receivable prior to its due date. This may result in a change in the yield and tenor for the Scheme.

iv) Zero Coupon and Deferred Interest Bonds

The Scheme may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a discount to their face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. Zero coupon bonds do not provide periodic interest payments and deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract Investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and the Scheme may accrue income on such obligations even though it receives no cash.

v) 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. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of Securities. As liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or restructuring of the Scheme.

vi) Credit Risk

Credit Risk means that the issuer of a Security may default on interest payments or even paying back the principal amount on maturity (i.e. the issuer may be unable to make timely principal and interest payments on the Security). Even where no default occurs, the prices of Security may go down because the credit rating of an issuer goes down. However, it must be noted that where the Scheme has invested in Government Securities, the risk of default is lower.

vii) Risks of Investing in Unrated Debt Securities

Unrated debt Securities are more likely to react to developments affecting market and credit risk than are more highly rated Securities, which react primarily to movements in the general level of interest rates. Unrated debt Securities are more likely to react to developments affecting market and credit risk than rated debt Securities, which react primarily to movements in the general level of interest rates. Unrated debt Securities are considered predominantly speculative by traditional investment standards and may have poor prospects for reaching investment grade standing. Unrated debt Securities of comparable credit quality (commonly known as “junk bonds”) are subject to the increased risk of an issuer’s inability to meet principal and interest obligations and further, are usually unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. These Securities, also referred to as ‘high yield Securities’, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions or publicity (whether or not based on fundamental analysis) of the junk bond markets generally and less secondary market liquidity.

Unrated debt Securities are issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of unrated debt Securities tends to reflect individual corporate developments to a greater extent than that of rated debt Securities which react primarily to fluctuations in the general level of interest rates. As a result, the ability of the Scheme if it invests in unrated debt Securities to achieve its investment objectives may depend to a greater extent on the Fund
Manager’s judgment concerning the creditworthiness of the issuers of such Securities than the Scheme investing in rated debt Securities. Issuers of unrated debt Securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of rated debt Securities by economic downturns, specific corporate developments or the issuer’s inability to meet specific projected business forecasts.

A holder’s risk of loss from default is significantly greater for unrated debt Securities than is the case for holders of other debt Securities because such unrated debt Securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such Securities. Investments in defaulted Securities poses additional risk of loss should non-payment of principal and interest continues. Even if such Securities are held to maturity, recovery by the Scheme of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for unrated debt Securities is concentrated in relatively few market makers and is dominated by institutional investors. Accordingly, the secondary market for such Securities is typically not very liquid, and is more volatile than, the secondary market for rated debt Securities. In addition, market trading volume for high yield fixed income Securities is generally lower and the secondary market for such Securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and the Scheme’s ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for the Scheme to obtain precise valuations of the high yield Securities in its portfolio.

viii) Risks Associated with Credit Rating Agencies

Credit ratings issued by recognised credit rating agencies are designed to evaluate the safety of principal and interest payments of rated Securities. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value and liquidity of the Security. Credit ratings are used only as a preliminary indicator of investment quality. Investments in unrated debt obligations will be more dependent on the Fund Manager’s credit analysis than would be the case with investments in investment grade debt obligations.

(i) Securities Lending

Securities lending is lending of Securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent Securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the Securities borrowed.

There are risks inherent in Securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of the Securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the Securities, inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender in respect of the Securities lent. The Fund may not be able to sell such lent Securities and this can lead to temporary illiquidity.

(j) Calculation of NAV

From time to time, materiality thresholds may apply insofar as it relates to errors in the calculation of NAV in accordance with SEBI Regulations. Unit holders should note that the AMC may not pay the Unit holders or the Scheme the amount of any difference in the NAV not happened.

As a result, Investors/ Unit holders who have Subscribed for or Redeemed Units of the Scheme on a day on which the materiality thresholds had been applied, the Investors / Unit holders may receive a different economic result than they would have received had the error in calculation of the NAV not happened.

(k) Investments by the Scheme in other schemes

The Scheme may invest in other scheme(s) managed by the AMC or in schemes of other mutual funds, provided such investments are in conformity with the investment objectives of the Scheme and in accordance with terms of the prevailing SEBI Regulations. Such investments in other schemes may provide the Scheme access to a specialised investment area or economic sector which can be more effectively accessed by investing in the underlying scheme(s). The Fund Manager will only make such investments if it determines in its discretion that to do so is consistent with the interests of the Unit holders of the Scheme.

The Scheme may invest in schemes operated by third parties. Considering third parties are not subject to the oversight or control of the AMC, the Fund Manager may not have the opportunity to verify the compliance of such schemes with the laws and regulations applicable to them.

It is possible that a number of underlying scheme(s) might take substantial positions in the same security at the same time. This inadvertent concentration may interfere with the Scheme’s goal of diversification. The AMC would attempt to alleviate any potential inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the AMC may at any given time, hold opposite positions, such position being taken by different underlying scheme(s). Each such position shall result in transaction fees for the Scheme without necessarily resulting in either a loss or a gain. Moreover, the AMC may proceed to a reallocation of assets between the underlying scheme(s) and liquidate investments made in one or several of them.

Further, many of the underlying scheme(s) in which the Scheme may invest could use special investment techniques or concentrate its investments in only one geographic area or asset investment category, which may subject the Scheme’s investments to risks different from those posed by investments in equity or fixed income scheme(s) or risks of the market and of rapid changes to the relevant geographic area or investment category.

When the Scheme invests in other schemes, the Unit holders in the Scheme will also incur fees and expenses (such as, but not
limited to, management fees, custody fees, registrar fees, audit fees, etc.) at the level of the underlying scheme(s) and the limits prescribed under the SEBI Regulations.

No assurance can be given that the strategies employed by other schemes in the past to achieve attractive returns will continue to be successful or that the return on the Scheme’s investments will be similar to that achieved by the Scheme or other schemes in the past.

(l) Risk of Changes in Borrowing Rates

The Scheme may borrow funds on a temporary basis within the limits set forth under the SEBI Regulations. The Scheme may choose to only borrow from the Custodian of the Scheme, and the borrowing rate imposed by the Custodian of the Scheme may change due to market conditions. As a consequence thereof, the borrowing rates imposed by the Custodian may not be the most competitive.

(m) Risk Factors relating to Portfolio Rebalancing

In the event that the asset allocation of the Scheme deviates from the ranges as provided in the asset allocation table in this SID, then the Fund Manager will rebalance the portfolio of the Scheme to the position indicated in the asset allocation table. However, if market conditions do not permit the Fund Manager to rebalance the portfolio of the Scheme within the stipulated period then the AMC would notify the Board of the Trustee Company and the Investment Committee of the AMC with appropriate justifications.

(n) Uncertain Tax Positions

Prospective Investors should be aware that tax Laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax Laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result of uncertainty relating to the Fund’s potential tax liabilities, including on any historical realized or unrealized gains, as well as liabilities that may arise as a result of investments made by the Scheme which have not reflected tax liabilities in their valuation, the NAV of the Scheme on any dealing day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the NAV of the Scheme on any dealing day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the Fund to accrue for a potential tax liability that was not previously required to be accrued or in situations where the Fund does not expect to be ultimately subject to such tax liability.

In the event that the Fund subsequently determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any Scheme investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Fund subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Unit holders of the applicable Scheme at the time of such determination, rather than when the income or transaction in respect of which such taxes were accrued was earned or occurred, and Unit holders who previously Redeemed Units of the Scheme will not receive additional compensation or otherwise share such benefit. Unit holders will not be notified of any of the foregoing determinations or payments.

Unit holders that invest in the Units of a Scheme at a time during which any liabilities for taxes are not accrued will invest in the Units of the Scheme at a higher NAV than such Unit holders would have invested had such liabilities been accrued at the time of the applicable investment. In addition, the returns of the Scheme may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Scheme. On the other hand, Unit holders that Redeem Units of a Scheme at a time during which potential liabilities for taxes are accrued will Redeem Units of the Scheme at a lower NAV than if such liabilities had not been accrued at the time of the applicable Redemption. In that situation the Scheme may also be considered to have been subject to an inadvertent under investment effect if that accrual of taxes is not subsequently paid.

(o) Risks relating to withholding tax under FATCA

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), payments of U.S. source fixed or determinable, annual or periodic income, certain payments made after December 31, 2016 of gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends, and certain payments (or a portion thereof) made after 31 December 2016 by a foreign financial institution, to a foreign financial institution or other foreign entity will be subject to a withholding tax of thirty percent (30%) unless it is compliant with various reporting requirements under FATCA. The United States has reached an agreement in substance with respect to an intergovernmental agreement with the Government of India regarding the implementation of FATCA by Indian financial institutions (the "Indian IGA"). Under FATCA and the Indian IGA, the Scheme will be treated as a "foreign financial institution" for this purpose. As a foreign financial institution, in order to be compliant with FATCA, the Scheme will be required to, among other requirements: (i) obtain and verify information on all of its Unit holders to determine which Unit holders are “Specified U.S. Persons” (i.e., U.S. Tax Persons other than tax-exempt entities and certain other persons) and, in certain cases, non-U.S. persons whose owners are Specified U.S. Persons (“U.S. Owned Foreign Entities”); and (ii) annually report information on its Unit holders that are non-compliant with FATCA, Specified U.S. Persons and U.S. Owned Foreign Entities to the Government of India. The Government of India will exchange the information reported to it with the IRS annually on an automatic basis. No assurances can be provided that the Scheme will be exempt from this thirty percent (30%) withholding tax.

Any Unit holder that fails to produce the required information or is otherwise not compliant with FATCA may be subject to thirty percent (30%) withholding on all or a portion of any redemption or distribution payments made by the Scheme after December 31, 2016. Moreover, each Unit holder should be aware that as a result of an investment in the Scheme, the tax authorities in the Unit holder’s jurisdiction of tax residence may be provided information relating to such Unit holder, pursuant to the provisions of a treaty, an intergovernmental agreement or otherwise, directly or indirectly by the Scheme. Unit holders should consult their own tax advisors regarding the potential implications of this withholding tax.
Material Interests of Associates of the Sponsor, AMC & Trustee Company

Reliance Capital Ltd, is one of the sponsors of Reliance Nippon Life Asset Management, is a part of the Reliance Group. It is amongst India’s leading financial services companies in the private sector. Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial finance; equities and commodities broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services. The other sponsor is Nippon Life Insurance Company, one of the largest insurance companies in Japan, with more than 11 million customers and 70,000 employees.

The following are a few examples of situations where there may be conflicts of interest between the AMC and the other related businesses. They are not, and are not intended to be, a complete enumeration or explanation of all of the material interests that may arise.

- The AMC will make investment decisions for the Scheme as it believes are in the fiduciary interests of the Scheme. Our Sponsors and their associates may also take similar investment decisions or may even take directionally opposite positions, based on their independent analysis. We have Conflict of Interest Policy that requires us to act in a manner that does not prejudice the interests of our investors in any manner vis-à-vis group or associate companies or put one set of investors to an advantage or disadvantage on account of another. This also includes restrictions on sharing of trading information.
- RMF may also use the services of Reliance Group entities as a broker or distributor or service provider on strictly arms length basis.
- The AMC in its sole discretion will determine whether the Scheme will participate in investment opportunities and investors should not expect that the Scheme will participate in any particular investment opportunities.
- The directors, officers, and employees of Reliance Mutual Fund may buy and sell securities or other investments for their own Accounts within the bounds of the Personal Securities Trading Policy (PSTP) laid down by the company.

Subject to applicable Laws, the AMC, may, from time to time, in-source or outsource certain processes or functions in connection with a variety of services that it provides to the Scheme in its administrative or other capacities.

Any investments in Group and Associate companies will be subject to SEBI Regulations in this regard.

Valuation of the Scheme’s Investments

The AMC carries out valuation of investments made by the Scheme. The AMC values Securities and assets in the Scheme according to the valuation policies described in the Statement of Additional Information.

Proxy Voting by the AMC

The AMC has implemented processes designed to prevent conflicts of interest from influencing proxy voting decisions that it makes on behalf of the Scheme, and to help ensure that such decisions are made in accordance with its fiduciary obligations to the Scheme. Notwithstanding proxy voting processes, proxy voting decisions made by the AMC with respect to Securities held by the Scheme may benefit the interests of AMC other than the Scheme.

Error and Error Correction

The AMC has procedures for determining when the AMC will reimburse the Scheme for losses that result from errors by the AMC. Pursuant to such procedures, an error is generally compensable from the AMC to the Scheme when it is a mistake (whether an action or inaction) in which the AMC has deviated from the applicable standard of care under the SEBI Regulations in managing the Scheme’s assets, subject to certain materiality and other policies summarized below.

The Code of Conduct under the SEBI Regulations requires the AMC to render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgement. Although the AMC would seek to follow such requirements, mistakes could occur, which mistakes would not be compensated by the AMC unless they are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein. The AMC’s policies do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the AMC or its affiliates. Therefore, not all mistakes will be considered compensable errors. Imperfections, including without limitation, imperfection in the implementation of investments, execution, cash flow, rebalancing, processing instructions or facilitation of securities settlement; imperfection in processing corporate actions; or imperfection in the generation of cash or holdings reports resulting in trade decisions, are generally not considered by the AMC to be violations of standards of care regardless of whether implemented through programs, models, tools or otherwise. As a result, such imperfections, including, without limitation, mistakes in amount, timing or direction of a trade, are generally not compensable errors unless such imperfections or mistakes are not in accordance with the requirements under the SEBI Regulations or any materiality thresholds prescribed therein.

Mistakes may also occur in connection with other activities that may be undertaken by the AMC and its affiliates, such as NAV calculation, transfer agent activities (i.e., processing Subscriptions and Redemptions), fund accounting, trade recording and settlement and other matters that are non-advisory in nature and may not be compensable unless they deviate from the applicable standards, SEBI Regulations or any materiality thresholds prescribed therein. Unit holders will generally not be notified of the occurrence of an error if such error is determined to be non compensable.

Mistakes may result in gains as well as losses. In applying its error and error correction policies, the AMC may determine that it is appropriate to reallocate or remove gains from the Scheme’s account that are the result of a mistake.

The AMC makes its determinations pursuant to its error procedures on a case-by-case basis, based on the materiality of the resulting losses. For example, mistakes that result in losses below a threshold (as provided in the SEBI Mutual Fund Regulations) will not be compensable.
When the AMC determines that reimbursement by the AMC is appropriate, compensation received by the Scheme is generally expected to be limited to direct and actual losses, which may be calculated based on factors the AMC considers relevant. Compensation generally will not include any amounts or measures that the AMC determines are speculative or uncertain, including potential opportunity losses or other forms of consequential or indirect losses, and when calculating compensation, the AMC generally will not consider tax implications for, or the tax status of, the Scheme.

The AMC will consider any errors in the calculation of the NAV of the Scheme in order to determine whether corrective action is necessary or compensation is payable to the Scheme or the Unit holders.

The AMC, may, in their sole discretion, authorise the correction of errors, which may impact the processing of Subscriptions for and Redemptions of Shares. The AMC may follow materiality policies with respect to the resolution of errors that may limit or restrict when corrective action would be taken or when compensation to the Scheme or Unit holders will be paid. In addition, subject to policies approved by the AMC consistent with applicable Law, not all mistakes will result in compensable errors.

Unit holders may not be notified of the occurrence of any error or the resolution thereof unless the materiality thresholds provided under SEBI Regulations are exceeded and the correction of the error requires a payment/recovery of any amounts to/from the Unit holders.

(t) Stable NAV Risk

The Scheme may not be able to maintain a stable NAV at all times. Unit holders of the Scheme should not rely on or expect the AMC or an affiliate to purchase distressed assets from the Scheme, make capital infusions into the Scheme, enter into capital support agreements with Scheme/AMC or take other actions to help the Scheme maintain a stable NAV.

The Scheme is designed such that the Fund/AMC will seek to use, reasonable endeavors to maintain the NAV at a fixed value by distributing income from the Scheme as it arises. However, please be aware that there is always a risk that an underlying issuer could default or otherwise be subject to an impairment of credit quality such that the value ascribed to that Security may also be impaired. In these circumstances, the Fund/AMC will be unable to maintain the NAV of the Scheme at a fixed value and it is likely in that event, that a loss of capital will occur. Such loss of capital could be material and sudden.

(u) No Investment Guarantee Equivalent to Deposit Protection

Investment in the Scheme is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Although the Scheme endeavours to provide a stable NAV, that cannot be guaranteed and, as noted elsewhere in this SID, the NAV can fluctuate in contrast to the value of bank deposits (assuming the solvency of the bank concerned).

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

As the Scheme is an Exchange Traded Scheme, the provisions of minimum number of Investors and maximum holding of the Investors are not applicable as per SEBI Regulations and circulars.

C. SPECIAL CONSIDERATIONS

• An investment in the Units of the Scheme does not constitute a complete investment programme and Investors may wish to complement an investment in the Scheme with other types of investments.

• Prospective Investors should review/study the SAI along with this SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the Subscriptions, gifting, acquisition, holding, disposal (sale, transfer, switch or Redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their Subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or Redemption or conversion into money) of Units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to Purchase/gift Units are subject, and also to determine possible legal, tax, financial or other consequences of Subscribing/gifting to, Purchasing or holding Units before making an application for Units.

• Neither this SID and the SAI, nor the Units have been registered in any jurisdiction outside India. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. No person has received a copy of the SAI and/or this SID or any accompanying Application Form in such jurisdiction may treat the SAI and this SID or such Application Form as constituting an invitation to them to subscribe for Units or solicitation in a jurisdiction in which to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so, nor should they in any event use any such Application Form unless, in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used without compliance of any registration or other legal requirements. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for Units pursuant to this SID to inform themselves of and to observe, all applicable laws and regulations of such relevant jurisdiction. Any changes in SEBI/NSE/BSE/RBI regulations and other applicable Laws/regulations could have an effect on such investments and valuation thereof.

• The Mutual Fund / Trustees / AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID or the SAI in connection with issue or sale of Units under the Scheme. Prospective Investors are advised not to rely upon any information or representations not incorporated in the SAI and SID as the same have not been authorized by the Mutual Fund or the Trustees or the AMC. Any Purchase or Redemption or switch made by any person on the basis of statements or representations which are not contained in this SID or SAI or which are not consistent with the information contained in the Offer Documents shall be solely at the
risk of the Investor / Unit holder(s). Investors are requested to check the credentials of the individual, firm or other entity they are entrusting their Application Form and payment to, for any transaction with the Mutual Fund. The Mutual Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.

- The AMC through itself or though its subsidiaries is restricted from undertaking any business activities that conflict across different activities. The absence of conflict of interest has been disclosed in this SID and the SAI. In the event that there is an unavoidable conflict of interest, the AMC shall satisfy itself that disclosures are made of the source of the conflict of interest, potential ‘material risk of damage’ to Investor interests and detailed parameters for the same are furnished.

- Redemptions due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustees, the Mutual Fund, the AMC, their directors or their employees shall not be liable for any tax consequences that may arise due to Redemptions.

- Any tax benefits described in this SID are as available under the present taxation Laws and are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the Laws and practice in force in India as on the date of this SID, and the Investors should be aware that the relevant fiscal rules or 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 an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor is advised to consult his / her / their own professional tax advisor.

- Under certain circumstances, the Trustees / AMC may mandatorily Redeem Units of the Scheme as provided in Section III B ‘Ongoing Offer Details – Redemption – General Provisions’.

- If the Units are held by any person in breach of the SEBI Regulations, Law or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Mutual Fund may mandatorily Redeem all the Units of any Unit holder where the Units are held by a Unit holder in breach of the same. The Trustee may further mandatorily Redeem Units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.

- If a Unit holder makes a Redemption request immediately after Purchase of Units, the Mutual Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect the full Redemption.

- Extract of the Voting Policy of the AMC applicable to ETFs/ Index Funds such as this Scheme: In relation to its schemes that are exchange traded funds (ETFs) or index funds which are based on various indices, the Mutual Fund invests in such ETFs / index based funds based on the index which is being tracked by such scheme. In relation to the exercise of such rights the AMC has established guidelines for the exercise of voting or other rights wherein it is stated that for passive funds / ETFs we will generally be abstaining on resolutions.

- Anti Money Laundering (‘AML’): Reliance Mutual Fund is committed to comply with all applicable anti money laundering laws and regulations in all of its operations. In India, the Prevention of Money Laundering Act, 2002 (‘PMLA’) the rules issued there under have been notified. Further, SEBI has also issued guidelines / circulars regarding AML Laws which are required to be followed by the intermediaries. Reliance Mutual Fund recognizes the value and importance of creating a business environment that strongly discourages money launderers from using Reliance Mutual Fund. To that end, the Mutual Fund and, the AMC have formulated and implemented a client identification programme and to verify and maintain the record of identity and address(es) of Investors.

- Know Your Customer (“KYC”): With effect from 1st January 2011, KYC (Know Your Customer) norms are mandatory for investors for making investments in Mutual Funds, irrespective of the amount of investment Further, in order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ( “KRA”) Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV"). SEBI has issued circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 and no. CIR/MIRSD/120 /2016 dated Nov. 10, for uniform and smooth implementation of CKYC norms for onboarding of new investors in Mutual funds with effect from 1st Feb 2017. For more details refer to SAI.

- Implementation of the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 with respect to seeding of Aadhaar number:

Investors are requested to note the following requirements in relation to submission of Aadhaar number and other prescribed details to Reliance Mutual Fund (RMF) / Reliance Nippon Life Asset Management Limited (“the AMC”) / Karvy Fintech Private Limited (Karvy) its Registrar and Transfer Agent:

i. Where the investor is an individual, who is eligible to be enrolled for Aadhaar number, the investor is required to submit the Aadhaar number issued by UIDAI. If such an individual investor is not eligible to be enrolled for Aadhaar number, and in case the Permanent Account Number (PAN) is not submitted, the investor shall submit the PAN or one certified copy of an officially valid document containing details of his identity and address and one recent photograph along with such other details as may be required by the Mutual Fund.

The investor is required to submit PAN as defined in the Income Tax Rules, 1962.
ii. Where the investor is a non-individual, Aadhaar numbers and PANs (as defined in Income-tax Rules, 1962) of managers, officers or employees or persons holding an attorney to transact on the investor’s behalf is required to be submitted, apart from the constitution documents. In case PAN is not submitted, an officially valid document is required to be submitted. If a person holding an authority to transact on behalf of such an entity is not eligible to be enrolled for Aadhaar and does not submit the PAN, certified copy of an officially valid document containing details of identity, address, photograph and such other documents as prescribed is required to be submitted.

It may be noted that the requirement of submitting Form 60 is not applicable for investment in mutual fund units. For more details kindly refer SAI and FAQs on our website www.reliancemutual.com / www.relianceeftf.com

Investors are requested to note that pursuant to the direction issued by Hon'ble Supreme Court on March 13, 2018 in Writ Petition (Civil) no. 494/2012 and Notification No. 1/2018/F. No. P.12011/24/2017- ES Cell-DoR from Ministry of Finance (Department of Revenue) dated March 31, 2018 the effective date for mandatory submission of Aadhaar has been deferred till further notice.

The need to ‘Know Your Customer’ is vital for the prevention of money laundering. The Trustees / AMC may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose.

The Trustees / AMC shall have absolute discretion to reject any application, or prevent further transactions by a Unit holder, if after due diligence, the Investor / Unit holder / a person making the payment on behalf of the Investor does not fulfill the requirements of the ‘Know Your Customer’ or the Investor / Unit holder does not provide information relating to its beneficial ownership or the Trustees / AMC believes that the transaction is suspicious in nature as regards money laundering. In this behalf the Trustees / AMC reserves the right to reject any application and / or effect a mandatory Redemption of Units allotted to the Unit holder.

If after due diligence, the Trustees / AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules / guidelines issued thereunder by SEBI and / or the RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules / guidelines issued thereunder by SEBI and / or RBI without obtaining the prior approval of the Investor / Unit holder / any other person.

D. DEFINITIONS

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

<p>| Aadhaar | Aadhaar number issued by the Unique identification Authority of India (UIDAI) |
| ADRs &amp; GDRs | ‘ADRs’ means American Depository Receipt and ‘GDRs’ means Global Depository Receipt. ADRs are negotiable certificates issued to a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in US$. GDRs are negotiable certificates held in the bank of one country representing a specific number of shares of a stock traded on exchange of another country. |
| Asset Management Company (AMC/RNAM)/Investment Manager | Reliance Nippon Life Asset Management Limited, the Asset Management Company incorporated under the Companies Act, 1956, having its Reliance Centre, Off Western Express Highway, Santacruz (East), Mumbai - 400 055 and authorised by SEBI to act as an asset management company / investment manager to the Scheme of the Fund |
| Applicable NAV | Unless otherwise stated in this document, 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. |
| Application Form | Application Form’ means a form meant to be used by an Investor to open a folio and/or Purchase Units in the Scheme. The Application Form would include forms such as the common Application Form, SIP auto debit form, nomination form, and any other form for Purchase of Units as required. |
| Authorised Participants | Member of the National Stock Exchange of India Ltd. or any other recognised stock exchange and their nominated entities/persons, or any other person(s) who is/would be appointed by the AMC/Fund to act as Authorized Participant for the Scheme |
| Call Money | ‘Call Money’ means funds transacted on an overnight basis. |
| Creation Unit | ‘Creation Unit’, is a fixed number of Units of the Scheme, which can be Purchased from/ Redeemed directly with the Fund. |
| Custodian | ‘Custodian’ means Deutsche Bank A.G., who has been granted a certificate of registration by SEBI under the SEBI (Custodian of Securities) Regulations, 1996 and for the time being appointed by the Fund for rendering custodial services for the Scheme in accordance with the SEBI Regulations |
| Cut-off time | ‘Cut-off time’ means a time prescribed in the SID upto which an Investor can submit a Purchase request / Redemption request for that Working Day |
| Depository | ‘Depository’ means a body corporate as defined in the Depositories Act, 1996 and includes National Securities Depository Ltd. (NSDL) and Central Depository Systems Ltd (CDSL). |
| Depository Participant | ‘Depository Participant’ means a person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative</td>
<td>‘Derivative’ means a financial instrument, traded on or off an exchange, the price of which is directly dependent upon (i.e., ‘derived from’) the value of one or more underlying Securities, equity indices, debt instruments, commodities, other Derivative instruments, or any agreed upon pricing index or arrangement (e.g., the movement over time of the consumer price index or freight rates) etc. Derivatives involve the trading of rights or obligations based on the underlying product, but do not directly transfer property.</td>
</tr>
<tr>
<td>Dividend</td>
<td>‘Dividend’ means the income distributed by the Fund on Units.</td>
</tr>
<tr>
<td>Entry Load</td>
<td>‘Entry Load’ means Load on Purchase /Subscription of Units.</td>
</tr>
<tr>
<td>Exit Load</td>
<td>‘Exit Load’ means Load on repurchase/Redemption of Units.</td>
</tr>
<tr>
<td>Exchange/Market</td>
<td>‘Exchange’/‘Market’ means Recognized Stock Exchange(s) where the Units of the Scheme are listed.</td>
</tr>
<tr>
<td>ETF</td>
<td>‘Foreign Traded Fund’/’ETF’ means a fund whose Units are listed on an Exchange and can be bought/sold at prices, which may be close to the NAV of the Scheme.</td>
</tr>
<tr>
<td>FPI</td>
<td>‘Foreign Portfolio Investors’ / ‘FPI’ means Foreign Portfolio Investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.</td>
</tr>
<tr>
<td>Fund/Mutual Fund</td>
<td>‘Fund’/‘Mutual Fund’ means Reliance Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 vide Registration No. MF/058/08/03 dated August 26, 2008.</td>
</tr>
<tr>
<td>Fund Manager</td>
<td>‘Fund Manager’ means the fund manager of the Scheme, details of whom are provided in the Section II of this SID.</td>
</tr>
<tr>
<td>Gilts</td>
<td>‘Gilts’ or ‘Government Securities’ means Securities created and issued by the central government and/or state government (including treasury bill) or Government Securities as defined in the Public Debt Act, 1944 as amended from time to time.</td>
</tr>
<tr>
<td>Investor</td>
<td>‘Investor’ means any resident or non-resident person whether individual or a non-individual who is eligible to subscribe for Units under the laws of his/her/their state/country of incorporation, establishment citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments made from time to time and who has made an application for subscribing Units under the Scheme. Under normal circumstances, a Unit holder would be deemed to be an Investor.</td>
</tr>
<tr>
<td>Investor Service Centres/ISC / Designated Investor Service Centres (DISC)</td>
<td>‘Investor Service Centres’/’ISC’ means such offices of the Registrar and/or the AMC which are designated as Investor Service Centres by the AMC from time to time, details of which will be available on the website of the Mutual Fund.</td>
</tr>
<tr>
<td>Investment Management Agreement (IMA)</td>
<td>The Agreement entered into between Reliance Capital Trustee Co. Limited and Reliance Nippon Life Asset Management Limited by which RNAM 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>Law</td>
<td>‘Law’ means the laws of India, the SEBI Regulations and any other applicable regulations for the time being in force in India including guidelines, directions and instructions issued by SEBI, the Government of India or RBI from time to time for regulating mutual funds generally or the Fund particularly.</td>
</tr>
<tr>
<td>Large Investor</td>
<td>‘Large Investor’ means an Investor who is eligible to invest in the Scheme and who would be creating Units of the Scheme in Creation Unit size. Further Large Investor would also mean those Investors who would be Redeeming Units of the Scheme in Creation Unit size.</td>
</tr>
<tr>
<td>Load</td>
<td>‘Load’ means a charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exit from the Scheme.</td>
</tr>
<tr>
<td>Money Market Instruments</td>
<td>‘Money Market Instruments’ includes commercial papers, commercial bills, treasury bills, Government Securities having an unexpired maturity up to one year, call or notice money, certificates of deposit, usance bills, and any other like instruments as specified by the RBI from time to time.</td>
</tr>
<tr>
<td>NAV</td>
<td>‘NAV’ means Net Asset Value per Unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time.</td>
</tr>
<tr>
<td>Nifty 1D Rate Index</td>
<td>An index owned and operated by NSE Indices Limited.</td>
</tr>
<tr>
<td>Non-Resident Indian /NRI</td>
<td>‘Non-Resident Indian’ / ‘NRI’ means a person resident outside India who is a citizen of India or is a Person of Indian Origin as per the meaning assigned to the term under Foreign Exchange Management (Deposit) Regulations, 2000.</td>
</tr>
<tr>
<td>NFO</td>
<td>‘NFO’ means New Fund Offer.</td>
</tr>
<tr>
<td>NSE</td>
<td>‘NSE’ means the National Stock Exchange of India Ltd., a Stock Exchange recognized by the Securities and Exchange Board of India.</td>
</tr>
<tr>
<td>Official Points of Acceptance</td>
<td>‘Official Points of Acceptance’ means the specified centres of the Registrar and/or the AMC designated for collection of the Application Form(s)/Transaction Slip(s), details of which will be available on the website of the Mutual Fund.</td>
</tr>
<tr>
<td>Ongoing Offer</td>
<td>‘Ongoing Offer’ means the offer of Units under the Scheme when it becomes open-ended after the closure of the NFO period.</td>
</tr>
<tr>
<td>Ongoing Offer Period</td>
<td>‘Ongoing Offer Period’ means the period during which the Ongoing Offer for Subscription to the Units of the Scheme is made.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Person of Indian Origin / PIO</td>
<td>‘Person of Indian Origin’ / ‘PIO’ means a citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b).</td>
</tr>
<tr>
<td>Purchase / Subscription</td>
<td>‘Purchase’ / ‘Subscription’ means purchase of / subscription to Units by an Investor of the Scheme.</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>means the price (being Applicable NAV plus Entry Load, if any) at which the Units can be purchased and calculated in the manner provided in the Scheme Information Document.</td>
</tr>
<tr>
<td>Reliance ETF Liquid BeES</td>
<td>‘Reliance ETF Liquid BeES’ means an Exchange Traded Fund listed on NSE.</td>
</tr>
<tr>
<td>RBI</td>
<td>means the Reserve Bank of India established under The Reserve Bank of India Act, 1934.</td>
</tr>
<tr>
<td>RCL</td>
<td>Reliance Capital Limited</td>
</tr>
<tr>
<td>Reliance Capital Trustee Co.</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>Ltd. (RCTC) / Trustee /</td>
<td></td>
</tr>
<tr>
<td>Trustee Company</td>
<td></td>
</tr>
<tr>
<td>Redemption / Redeem</td>
<td>means repurchase of Units by the Fund from a Unit holder.</td>
</tr>
<tr>
<td>Registrar</td>
<td>means Karvy Fintech Private Limited, registered under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as registrar and transfer agent to the Scheme or any other registrar appointed by the AMC from time to time.</td>
</tr>
<tr>
<td>Repo</td>
<td>means sale of Government Securities with simultaneous agreement to repurchase them at a later date.</td>
</tr>
<tr>
<td>Reverse Repo</td>
<td>means purchase of Government Securities with simultaneous agreement to resell them at a later date.</td>
</tr>
<tr>
<td>Saleable Underlying Stock</td>
<td>means the Securities of the underlying index which form part of the holdings of the Scheme, as certified by the Custodian and can be readily sold.</td>
</tr>
<tr>
<td>Scheme</td>
<td>Reliance ETF Liquid BeES offered through this SID.</td>
</tr>
<tr>
<td>Scheme Related Documents</td>
<td>‘Scheme Related Documents’ means and includes this Scheme Information Document (“SID”)/ Key Information Document (“KIM”)/ Statement of Additional Information (“SAI”) issued by the Mutual Fund, offering Units of the Scheme for Subscription.</td>
</tr>
<tr>
<td>SEBI</td>
<td>means the Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time.</td>
</tr>
<tr>
<td>SEBI Regulations</td>
<td>means SEBI (Mutual Funds) Regulations, 1996 as amended from time to time including any circulars, directions or clarifications issued by SEBI or any Government authority and as applicable to the Scheme and the Fund.</td>
</tr>
<tr>
<td>Securities</td>
<td>shall have the meaning as defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 of India; and also includes shares, stocks, bonds, debentures, warrants, instruments, obligations, Money Market Instruments, debt instruments or any financial or capital market instrument of whatsoever nature made or issued by any statutory authority or body corporate, incorporated or registered by or under any law; or any other securities, assets or such other investments as may be permissible from time to time under the SEBI Regulations.</td>
</tr>
<tr>
<td>Sponsor</td>
<td>Means Sponsor of RMF i.e., RCL a company incorporated under Companies Act, 1956 that has established RMF and co-sponsor of RMF i.e., Nippon Life Insurance Company (“NLI”).</td>
</tr>
<tr>
<td>SAI</td>
<td>‘Statement of Additional Information’ / ‘SAI’ means the Statement of Additional Information issued by the Fund from time to time.</td>
</tr>
<tr>
<td>Switch-in</td>
<td>means Purchase of Unit(s) of the Scheme / Option against Redemption of Unit(s) in another scheme of the Mutual Fund / Option.</td>
</tr>
<tr>
<td>Switch-out</td>
<td>means Redemption of Unit(s) of the Scheme / Option against Purchase of Unit(s) in another scheme of the Mutual Fund / Option.</td>
</tr>
<tr>
<td>Transaction Slip</td>
<td>means a form meant to be used by Unit holders seeking additional Purchase or Redemption of Units in the Scheme by the AMC.</td>
</tr>
<tr>
<td>Triparty Repo</td>
<td>Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.</td>
</tr>
<tr>
<td>Trustee</td>
<td>means the Trustee Company which holds the property of Reliance Mutual Fund in trust and includes the directors of the Trustee Company and the successors and assigns of the Trustee Company.</td>
</tr>
<tr>
<td>Trustee Company</td>
<td>means Reliance Capital Trustee Co. Limited, a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Scheme of Reliance Mutual Fund.</td>
</tr>
<tr>
<td><strong>Trust Deed</strong></td>
<td>The Trust Deed entered into on April 24, 1995 between the Sponsor and the Trustee, and all amendments thereof.</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Unit</strong></td>
<td>'Unit' means the interest of Investor in the Scheme, which consists of each Unit representing one undivided share in the assets of the Scheme and includes any fraction of a Unit which shall represent the corresponding fraction of one undivided share in the assets of the Scheme.</td>
</tr>
<tr>
<td><strong>Unit Capital</strong></td>
<td>'Unit Capital' means the aggregate of the face value of the Units issued under the Scheme.</td>
</tr>
<tr>
<td><strong>Unit holder</strong></td>
<td>'Unit holder' means a person holding Unit(s) in the Scheme offered under this SID.</td>
</tr>
<tr>
<td><strong>Working Day/ Business Day</strong></td>
<td>A working/business day means any day other than (1) Saturday (2) Sunday or (3) a day on which BSE Limited or National Stock Exchange (NSE) or any other Stock Exchange or Reserve Bank of India or Banks in Mumbai are closed or (4) a day on which there is no RBI clearing/settlement of securities or (5) a day on which the sale and/or redemption and/or switches of Units is suspended by the Trustees /AMC or (6) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or any other events as the AMC may specify from time to time. The AMC may reserve the right to change the definition of working day / business day in accordance with applicable SEBI regulations. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all DISC.</td>
</tr>
</tbody>
</table>

Words and Expressions used in this Scheme Information Document and not defined shall have the same meaning as in the Regulations.

**Interpretation**

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise required:

1. The terms defined in this SID include the singular as well as the plural.
2. Pronouns having a masculine or feminine gender shall be deemed to include the other.
3. All references to “US$” refer to United States Dollars and “Rs.” refer to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.
4. The contents of the Scheme Information Document are applicable to the Scheme covered under this Scheme Information Document, unless specified otherwise.

**E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

1. This Scheme Information Document 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 Scheme.
4. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**Place**: Mumbai

**Date**: March 28, 2019

Muneesh Sud

Designation: Chief Legal & Compliance officer
II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME –
An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo/Repo & Reverse Repo with daily Dividend and compulsory reinvestment of Dividend

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?
The investment objective of Reliance ETF Liquid BeES is to seek to provide current income, commensurate with low risk while providing a high level of liquidity through a portfolio of Tri Party Repo/Repo & Reverse Repo. The Scheme will provide returns that before expenses, closely correspond to the returns of Nifty 1D Rate index.

There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?
The investment policy of the Scheme shall be as per SEBI Regulations and within the following guidelines. Under normal market circumstances, the investment range would be as follows:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative asset allocation (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tri-Party Repos/Repo &amp; Reverse Repo</td>
<td>95%-100%</td>
<td>Low</td>
</tr>
<tr>
<td>Other Money Market instruments (including cash and cash equivalent)</td>
<td>0-5%</td>
<td>Low</td>
</tr>
</tbody>
</table>

The investment manager in line with the investment objective may alter the above pattern for short term and on defensive consideration.

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 of any deviation from the asset allocation, the fund manager will carry out rebalancing within 7 days. Where the portfolio is not re-balanced within 7 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.

D. WHERE WILL THE SCHEME INVEST?

Investment in Money Market Instruments
The Scheme will invest in Tri-Party Repo/Repo & Reverse Repo predominantly and other money market instruments.

What is Tri-Party Repo?
Tri-Party Repo:
Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

What is Repo and Reverse Repo?
‘Repo’ means sale of Government Securities with simultaneous agreement to repurchase them at a later date. ‘Reverse Repo’ means purchase of Government Securities with simultaneous agreement to resell them at a later date.

What is Call Money?
Call Money forms an important segment of the Indian money market segment. Call Money means funds transacted on an overnight basis.

Note:
The Scheme will make investment in Securities/instruments mentioned in the asset allocation pattern, with maturity of upto 91 days only.

Explanation:
a. In case of Securities/instruments where the principal is to be repaid in a single payout the maturity of the Securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the Securities shall be calculated on the basis of weighted average maturity of Security.
b. In case the maturity of the Security/instruments falls on a non-Working Day then settlement of Securities will take place on the next Working Day.

The Scheme will retain the flexibility to invest in the entire range of Securities as per investment objectives of the Scheme and as per the SEBI Regulations.

Investments in Derivative Instruments
As part of the Fund Management process, the Scheme may use Derivative instruments such as warrants, convertible Securities, swap agreements or any other Derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme.

Purpose of investment in Derivatives
a. The Scheme shall fully cover its positions in the Derivatives market by holding underlying Securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the Derivatives market.
b. Separate records shall be maintained for holding the cash and cash equivalents/Securities for this purpose.
c. The Securities held would be marked to market by the AMC to ensure full coverage of investments made in Derivative products at all times.
Lending of Securities
The Scheme may lend Securities from its portfolio in accordance with the SEBI Regulations and the applicable SEBI guidelines. Securities’ lending shall enable the Scheme to earn income that may partially offset its expenses and thereby reduce the effect these expenses have on the Scheme ability to provide investment returns that correspond generally to the price and yield performance of its index. The Scheme will pay reasonable administrative and custodial fees in connection with the lending of Securities. The Scheme will be exposed to the risk of loss should a borrower default on its obligation to return the borrowed Securities. The Scheme’s share of income from the lending collateral will be included in the Scheme’s gross income. The Fund will comply with the conditions for Securities lending specified by SEBI Regulations and circulars. The maximum exposure of each Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 50% of the market value of its equity portfolio or upto such limits as may be specified by SEBI. Each Scheme will not lend more than 75% of its corpus.

E. WHAT ARE THE INVESTMENT STRATEGIES?
The AMC uses a “passive” approach to try and achieve Scheme’s investment objective. Unlike other Fund, the Scheme does not try to “beat” the markets. The AMC does not make any judgments about the investment merit of a particular instrument or a particular industry segment nor will it attempt to apply any economic, financial or market analysis.

Investments by the AMC, the Sponsor, the Trustee Company and /or their associates in the Scheme
Subject to the SEBI Regulations and other applicable laws, the AMC, the Sponsor, the Trustee Company and/or their associates or affiliates, may invest in the Scheme during the NFO Period and/or the Ongoing Offer Period. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any investment management and advisory fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations.

RISK CONTROL
Investments made by the Scheme would be in accordance with the investment objective of the Scheme and provisions of SEBI Regulations. Since the investing requires disciplined risk management, the AMC has adequate safeguards for controlling risk in the portfolio construction process. The risk control process involves reducing risk through portfolio diversification wherever possible, taking care however not to dilute the returns in the process. It is the belief of the AMC that the diversification would help to achieve desired level of consistency in returns.

CHANGE IN INVESTMENT PATTERN
The scheme will invest at least 95% of its total assets in Tri-Party Repo/Repo & Reverse Repo. The scheme may hold upto 5% of their total assets in other money market instruments (including cash and cash equivalent). The AMC retains the flexibility to invest across all securities/ instruments as mentioned in its asset allocation pattern.

IMPLEMENTATION OF POLICIES
The Scheme would invest all its funds in Tri-Party Repo/Repo & Reverse Repo predominantly and other money market instruments.

INVESTMENT PROCESS
The Scheme would invest all its funds in Tri-Party Repo/Repo & Reverse Repo predominantly and other money market instruments.

RECORDING OF INVESTMENT DECISIONS
The investment decisions are taken by a team comprising of the Chief Investment Officer and Fund Managers based on the underlying index / benchmark for Exchange Traded Funds (ETFs). The Fund Managers along with their rationale record all such investment decisions. The Chief Executive Officer shall be responsible for compliances of all statutory requirements including SEBI Regulations and will supervise investments decisions of Fund Managers taking into consideration the overall interest of the Unitholders and assume responsibility for the day to day and overall Risk Management function of Mutual Fund.

Under him Fund Manager(s) will look after investment of the funds of the Scheme(s) in a manner to achieve the investment objective of the Scheme and in the interest of Unitholders.

The performance of the Scheme is reviewed by the Board of AMC and Trustees in their periodical meetings. The trustee will review the performance of the scheme on a periodical basis and submit a half yearly report to SEBI on various matters related to compliance and performance of the scheme. They may also compare the performance of the scheme against a benchmark index. The benchmark may be changed in future, if a benchmark better suited to the investment objective of the scheme is available, as may be decided by the AMC and the Trustee in line with SEBI (Mutual Fund) Regulations, 1996 and any change at a later date shall be recorded and reasonably justified.

PORTFOLIO TURNOVER
Portfolio turnover is the term used by the Fund for measuring the amount of trading that occurs in a Scheme’s portfolio during a specified period of time. The Scheme is an open ended Scheme. It is therefore expected that there would be a number of Subscriptions and Redemptions on a daily basis. There may be frequent transaction to buy and sell the Securities resulting in increase in transaction cost. At the same time frequent transactions may increase the profits and which can offset the increase in cost. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. However, the Fund Manager will endeavour to optimize the portfolio turnover to minimize risk and maximize gains while keeping in mind the cost associate with such transaction.

Portfolio turnover for a liquid scheme is the average maturity period of the securities held by such scheme.

Portfolio Turnover Ratio of the Scheme
Average maturity of the portfolio of the Scheme is 1.52 Days as on February 28, 2019

F. FUNDAMENTAL ATTRIBUTES
Following are the fundamental attributes in accordance with Regulation 18(15)(A) of the SEBI(MF) Regulations, 1996:

(i) Type of a scheme
An open ended liquid scheme, listed on the Exchange in the form of an ETF, investing in Tri-Party Repo/Repo & Reverse Repo with daily Dividend and compulsory reinvestment of Dividend
(ii) Investment Objectives

- Investment Objective - Refer to Section II - B: “WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?”
- Investment Pattern - Refer to Section II - C: “How will the Scheme allocate its assets?”

(iii) Terms of Issue

Provisions with respect to listing, repurchase, Redemption of Units and fees and expenses as indicated in this SID

In accordance with Regulation 18(15A) of the SEBI Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and plan(s)/Option(s) thereunder or the trust or fees and expenses payable or any other change which would modify the Scheme and the plan(s)/Option(s) thereunder and affect the interest of the Unit holders, will be carried out unless:

(i) A written communication about the proposed change is sent to each Unit holder of the Scheme and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and

(ii) The Unit holders of the Scheme will be given an option to exit for a period of 30 days to exit at the prevailing NAV without any Exit Load.

Fundamental attributes will not cover such actions of the board of directors of Trustee Company or AMC, made in order to conduct the business of the Trust, the Scheme or the AMC, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in SEBI Regulations with which the Scheme has been required to comply

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Trustees have adopted the Nifty 1D Rate Index as the benchmark index.

The Scheme as per its investment objective would primarily invest in Securities which are constituents of the benchmark index. In terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002 the performance of the Scheme will be benchmarked against Nifty 1D Rate Index. The same has been chosen as the benchmark for the Scheme as the composition of the aforesaid index is such that it is most suited for comparing performance of the Scheme.

A detailed review of the Scheme and the performance of the Scheme vis-à-vis the benchmark will be placed before the board of directors of AMC and Trustee on a quarterly basis.

In terms of SEBI Circular No.MFD/CIR/01/071/02 dated March 26, 2002, the board of directors of the AMC and Trustees may review the benchmark selection from time to time, and make suitable changes as to use of the benchmark or select an additional or replacement benchmark, or related to composition of the benchmark, whenever it deems necessary after recording an adequate justification for carrying out such change. However, change of benchmark and/or selecting additional benchmarks would be done in compliance with the relevant guidelines of SEBI in this regard.

The Fund Manager will bring to the notice of the board of directors of the AMC, specific factors if any, which are impacting the performance of the Scheme. The board of directors of the AMC on consideration of all relevant factors may, if necessary, give appropriate directions to the AMC.

Similarly, the performance of the Scheme will be submitted to the Trustees. The Fund Manager / Chief Investment Officer will explain to the Trustees, the details on the Scheme’s performance vis-à-vis the benchmark returns.

About the Index

The objective of NIFTY 1D Rate index is to measure the returns generated by market participants lending in the overnight market. The index uses “Tri-Party Repo” overnight rate for computation of index values.

Index Methodology

i. Annualised weighted average rate published by CCIL at end of the day is considered for computation of index
ii. The annualized rate is converted to the daily rate for index calculation, by dividing the annual rate by 365 days
iii. The daily rate is added to the index value of the previous day
iv. TREPS with T+0 settlement is considered
v. If next day is a working day then rate with 1 day maturity is considered

H. WHO MANAGES THE SCHEME?

The Fund Manager, Siddharth Deb, will manage the investments under the Scheme. His qualifications and experience are as under:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Qualification</th>
<th>Experience</th>
<th>Name of the Other Scheme managed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Siddharth Deb</td>
<td>35</td>
<td>B.Sc. and MMS in Finance</td>
<td>November 05, 2016 - Till date</td>
<td>Reliance ETF Hang Seng BeES (managing investments in debt Securities.)</td>
</tr>
<tr>
<td>Fund Manager</td>
<td></td>
<td></td>
<td>Reliance Nippon Life Asset Management Limited</td>
<td></td>
</tr>
<tr>
<td>(managing the Scheme</td>
<td></td>
<td></td>
<td>August 2011 – November 04, 2016</td>
<td></td>
</tr>
<tr>
<td>- Since November 2012)</td>
<td></td>
<td></td>
<td>Goldman Sachs Asset Management (India) Private Limited – Executive Director, Managing fixed income debt ETF’s</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>September 2008 – Aug 2011</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Benchmark Asset Management Company Private Limited – Senior Manager Investments</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>January 2006 – September 2008</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fullerton India Credit Company Ltd, Manager – Treasury, managing day today treasury activities in front office.</td>
<td></td>
</tr>
</tbody>
</table>
I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to the SEBI Regulations, the following are the investment and other limitations as presently applicable to the Scheme at the time of making investments. However, all the investments by the Scheme will be made within the investment objective, asset allocation, described earlier as well as within the investment restrictions as specified in SEBI Regulations, as amended from time to time, including Schedule VII thereof.

1. No term loans for any purpose will be advanced by the Scheme.

2. The Scheme shall not invest more than 10% of its NAV in debt instruments (comprising of Money Market Instruments and non-Money Market Instruments) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Board of directors of the Trustee Company and the AMC. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and Tri-Party Repo. Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI.

3. The Scheme shall not invest more than 10% of its NAV in un-rated 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 directors of the Trustee Company and the AMC.

4. Further the inter Scheme transfer of investments shall be in accordance with the provisions contained in the section ‘Inter-Scheme transfer of investments’, contained in the Statement of Additional Information. Transfer of investments from the Scheme to another scheme in the Fund shall be allowed only if:
   a. Such transfers are done at the prevailing market price for quoted instruments on spot basis.
      Explanation: “Spot basis” shall have same meaning as specified by Stock Exchange for spot transaction.
   b. The Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

5. The Scheme may invest in another scheme under the same AMC or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by the Scheme under the same management or in the scheme under the management of any other asset management company shall not exceed 5% of the NAV of the Fund.

6. Till the SEBI Regulations so require, the Fund shall buy and sell Securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative Securities.

7. Till the SEBI Regulations so require, the Fund shall get the Securities purchased transferred in the name of the Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.

8. Pending deployment of funds of the Scheme in Securities in terms of the investment objectives of the Scheme, a Fund can invest the funds of the Scheme in short-term deposits of scheduled commercial banks within the limits prescribed under SEBI circular and applicable guidelines.

9. The Fund may borrow to meet liquidity needs, for the purpose of repurchase, Redemption of Units or payment of interest or Dividend to the Unit holders and such borrowings shall not exceed 20% of the net asset of the Scheme and duration of the borrowing shall not exceed 6 months. The Fund may borrow from permissible entities at prevailing market rates and may offer the assets of the Fund as collateral for such borrowing.

10. Till the SEBI Regulations so require, the Scheme shall not make any investment in:
    i. Any unlisted Security of an associate or group company of the Sponsor; or
    ii. Any Security issued by way of private placement by an associate or group company of the Sponsor; or
    iii. The listed Securities of group companies of the Sponsor, which is in excess of 25% of the net assets.

11. The Scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related Securities.

12. The Scheme shall not make any investment in any fund of funds Scheme.

13. The Scheme, will not invest in securitized debt.

14. The Scheme will comply with any other SEBI Regulations applicable to the investments of Mutual Funds from time to time.

15. The Fund under this Scheme should not own more than 10% of any company’s paid up capital carrying voting rights.

16. The Scheme may lend Securities in accordance with the SEBI Regulations.
   Aggregate value of ‘illiquid Securities’ of each Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme.

17. The total exposure of the Scheme in a particular sector (excluding investments in Bank CDs, Tri-Party Repo, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of Reliance ETF Liquid BeES. Provided that an additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of Reliance ETF Liquid BeES shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs). Provided further that the additional exposure to such securities issued by HFCs are rated AA and above
and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 25% of the net assets of Reliance ETF Liquid BeES. Further the total exposure of Reliance ETF Liquid BeES in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of Reliance ETF Liquid BeES. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the board of the Trustee Company.

**Investments Limitations and Restrictions in Derivatives**

As applicable, the Scheme shall comply with the investment limitations and restrictions set out for participation in the Derivatives market in accordance with SEBI circulars dated September 14, 2005, January 20, 2006 and September 22, 2006 as amended from time to time.

Investments by the AMC, the Sponsor, the Trustee Company and/or their associates in the Scheme

Subject to the SEBI Regulations and other applicable laws, the AMC, the Sponsor, the Trustee Company and/or their associates or affiliates, may invest in the Scheme during the NFO Period and/or the Ongoing Offer Period. The percentage of such investment to the total NAV may vary from time to time. The AMC shall not charge any investment management and advisory fees on investment by the AMC in the Units of the Scheme in accordance with sub-regulation 17 of Regulation 25 of the SEBI Regulations.

All investment restrictions shall be applicable at the time of making investments. The AMC may alter these limitations/objects from time to time to the extent the SEBI Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective. The Trustees may from time to time alter these restrictions in conformity with the SEBI Regulations.

All investments of the Scheme will be made in accordance with the SEBI Regulations, including Schedule VII thereof.

**J. SCHEME’S PERFORMANCE**

(a) **Simple Annualised Returns**

(b) **Compounded Annualised Returns (%) as on February 28, 2019**

<table>
<thead>
<tr>
<th>Compounded Annualised Returns</th>
<th>Reliance ETF Liquid BeES (%)</th>
<th>Nifty 1D Rate Index (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns for the last 1 year</td>
<td>5.60</td>
<td>6.26</td>
</tr>
<tr>
<td>Returns for the last 3 years</td>
<td>5.22</td>
<td>6.18</td>
</tr>
<tr>
<td>Returns for the last 5 years</td>
<td>5.47</td>
<td>6.85</td>
</tr>
<tr>
<td>Returns since inception</td>
<td>4.42</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Returns since inception are calculated from the date of allotment i.e. July 8, 2003. Returns are based on Gross Dividend per unit declared by the Fund for the respective period. Actual Dividend in the hands of each Investor will vary based on category and rate of Dividend distribution tax applicable thereon. Dividends are assumed to be reinvested at the prevailing NAV. Distribution taxes are excluded while calculating the returns. After payment of Dividend, NAV will fall to the extent of the payout and statutory levy (if applicable).

NA has been mentioned for instances where the benchmark data for corresponding period is not available

(c) **Illustration of impact of the Scheme expense ratio on the returns of the Scheme**

An Investor invests Rs.10,000 in the Scheme at a NAV of Rs.10. There is a gain of 10% on the NAV after one year before charging any expenses to the Scheme. Hence, the value of the investment (i.e. Rs.10,000) has, before charging of any expenses, gone up to Rs.11,000 after one year and the return to the Investor before expenses is Rs.1,000. The expense ratio charged to the Scheme is 1% per annum. For sake of simplicity, after deduction of 1% expense ratio on such return*, the value of the investment of the Investor is reduced to Rs.10,900. This means that Rs.100 is deducted on the return as the expense of the Scheme and the net returns to the Investor after deducting the expense ratio of 1% is 9%. Therefore, in this illustration, the Scheme’s returns before expenses would be 10% and the Scheme’s returns post expenses would be 9%.
Below is the tabular representation of the illustration:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment done by the Investor in the Scheme</td>
<td>Rs.10,000</td>
</tr>
<tr>
<td>10% gain after 1 year</td>
<td>Rs.1,000</td>
</tr>
<tr>
<td>Value of investment after 1 Year before charging expense</td>
<td>Rs.11,000</td>
</tr>
<tr>
<td>Annual Expense Ratio charged at 1%</td>
<td>Rs.100</td>
</tr>
<tr>
<td>Value of Investment after 1 Year post charging expense</td>
<td>Rs.10,900</td>
</tr>
<tr>
<td>Returns before expenses (Rs.)</td>
<td>Rs.1,000</td>
</tr>
<tr>
<td>Returns post expenses (Rs.)</td>
<td>Rs.900</td>
</tr>
<tr>
<td>Returns before expenses (%)</td>
<td>10.00%</td>
</tr>
<tr>
<td>Returns post expenses (%)*</td>
<td>9.00%</td>
</tr>
</tbody>
</table>

(*Please note that for sake of simplicity in this illustration, the expense ratio is deducted from the gross return on the investment and not the final market value of the investment)

K. INTRODUCTION TO EXCHANGE TRADED FUND

ETFs are innovative products that provide exposure to an index or a basket of securities or physical gold that trade on the exchange like a single stock. ETFs have a number of advantages over traditional open-ended Index Funds as they can be bought and sold on the exchange at prices that are usually close to the actual intra-day NAV of the Scheme. ETFs are an innovation to traditional mutual funds as ETFs provide Investors a fund that closely tracks the performance of an index / physical gold with the ability to buy/sell on an intra-day basis. Unlike listed close ended funds, which trade at substantial premiums or more frequently at discounts to NAV, ETFs are structured in a manner which allows to create new Units and Redeem outstanding Units directly with the fund, thereby ensuring that ETFs trade close to their actual NAVs.

ETFs are usually passively managed funds wherein subscription /redemption of units work on the concept of exchange with underlying securities. In other words, Large Investors/institutions can Purchase Units by depositing the underlying Securities with the Fund/AMC and can Redeem by receiving the underlying shares in exchange of Units. Units can also be bought and sold directly on the exchange.

ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the Investors in the form of lower costs. Further more, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges.

The structure of ETFs is such that it protects long-term Investors from inflows and outflows of short-term Investor. This is because the Fund does not bear extra transaction cost when buying/selling due to frequent Subscriptions and Redemptions.

Tracking Error of ETFs is likely to be low as compared to a normal Index Fund. Due to the creation/redemption of units through the in-kind mechanism the fund can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying shares is much lower.

ETFs are highly flexible and can be used as a tool for gaining instant exposure to the equity markets, equitising cash or for arbitraging between the cash and futures market.

Benefits of ETFs

1. Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.
2. Can be bought/sold anytime during market hours at prices that are expected to be close to actual NAV of the schemes. Thus, investor invests at real-time prices as opposed to end of day prices.
3. No separate form filling for buying / selling units. It is just a phone call to your broker or a click on the net.
4. Ability to put limit orders.
5. Minimum investment for an ETF is one unit.
6. Protects long-term investors from the inflows and outflows of short-term investors.
7. Flexible as it can be used as a tool for gaining instant exposure to the respective equity/gold markets, equitising cash, hedging or for arbitraging between the cash and futures market.
8. Helps in increasing liquidity of underlying cash market.
9. Aids low cost arbitrage between futures and cash market.
10. An investor can get a consolidated view of his investments without adding too many different account statements as the Units issued would be in demat form.

Uses of ETFs

1. Investors with a long-term horizon
   - Allows diversification of portfolio at one shot thereby reducing scrip specific risk at a low cost. Gold ETFs reduce risk of holding physical gold.
2. FPIs, Institutions and Mutual Funds
   - Allows easy asset allocation, hedging and equitising cash at a low cost.
3. Arbitrageurs
   - Low impact cost to carry out arbitrage between the cash and the futures market.
4. Investors with a shorter term horizon
   - Allows liquidity due to ability to trade during the day and expected to have quotes near NAV during the course of trading day.
Risks of ETFs

1. **Absence of Prior Active Market:** Although the units of ETFs are listed on the Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.

2. **Lack of Market Liquidity:** Trading in units of ETFs on the Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned stock exchange or market regulator, trading in the ETF units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit filter' rules. There can be no assurance that the requirements of the concerned stock exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.

3. **Units of Exchange Traded Funds May Trade at Prices Other than NAV:** Units of ETFs may trade above or below their NAV. The NAV of units of ETFs may fluctuate with changes in the market value of a Scheme’s holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in creation units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.

### Comparison of ETFs v/s Open Ended Funds v/s Close Ended Funds:

<table>
<thead>
<tr>
<th></th>
<th>Open Ended Fund</th>
<th>Closed Ended Fund</th>
<th>Exchange Traded Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Size</strong></td>
<td>Flexible</td>
<td>Fixed</td>
<td>Flexible</td>
</tr>
<tr>
<td><strong>NAV</strong></td>
<td>Daily</td>
<td>Daily</td>
<td>Real time (indicative NAV)</td>
</tr>
<tr>
<td><strong>Liquidity provider</strong></td>
<td>Fund itself</td>
<td>Stock Market</td>
<td>Stock Market / Fund itself</td>
</tr>
<tr>
<td><strong>Sale price</strong></td>
<td>At NAV plus Load, if any</td>
<td>Significant premium / discount to NAV</td>
<td>Very close to actual NAV of Scheme</td>
</tr>
<tr>
<td><strong>Availability</strong></td>
<td>Fund itself</td>
<td>Through Exchange where listed</td>
<td>Through Exchange where listed / Fund itself.</td>
</tr>
<tr>
<td><strong>Portfolio disclosure</strong></td>
<td>Disclosed monthly</td>
<td>Disclosed monthly</td>
<td>Daily</td>
</tr>
<tr>
<td><strong>Intra-day trading</strong></td>
<td>Not possible</td>
<td>Expensive</td>
<td>Possible at low cost</td>
</tr>
</tbody>
</table>

An illustration of the working of ETF is given below:

![Illustration of the working of ETF](image)

L. **DEBT MARKETS 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 channelise 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. The new Securitised instruments are also very attractive in the primary market. Risk associated with securitized Debt or PTCs are credit risk, liquidity risk and price risk/interest rate risk. The other instruments available for investment are Commercial Papers, Certificate of Deposits, Government guaranteed bonds, etc.

Brief details about the instruments are given below as on March 1, 2019.

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Listed/ Unlisted</th>
<th>Current Yield Range As on March 1, 2019.</th>
<th>Liquidity</th>
<th>Risk profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government Securities</td>
<td>Listed</td>
<td>6.48%-7.82%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Corporate Debentures / PSU Bonds</td>
<td>Listed</td>
<td>8.06%-8.73%</td>
<td>Moderate</td>
<td>Low</td>
</tr>
<tr>
<td>CDs (short term)</td>
<td>Unlisted</td>
<td>7.25%-7.70%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Call Money</td>
<td>Unlisted</td>
<td>5.30%- 6.30%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Mibor linked Papers*</td>
<td>Listed</td>
<td>220-250 bps</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
M. HOW THE SCHEME IS DIFFERENT FROM THE EXISTING OPEN ENDED EXCHANGE TRADED FUNDS OF THE MUTUAL FUND

Reliance ETF Bank BeES

Asset Allocation Pattern: Securities covered by the Nifty Bank Index - 95-100%; Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents. - 0-5%

Primary Investment Pattern: The investment objective of Reliance ETF Bank BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty Bank Index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. Investment Strategy: The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements

Differentiation: Reliance ETF Bank BeES endeavors to track and generate returns similar to its benchmark Nifty Bank TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark.

Month End AUM (Rs. Crore) as on February 28, 2019: 4966.80, No. of Folios as on February 28, 2019: 6495

Reliance ETF Gold BeES

Asset Allocation Pattern: Physical Gold or Gold related Instruments as permitted by SEBI from time to time : 95-100%, Money Market Instruments (in securitised debts can be made by the Scheme upto 5% of the net assets). Primary Investment Pattern: The investment objective of Reliance ETF Gold BeES is to provide returns that, before expenses, closely correspond to the returns provided by Domestic price of Gold through physical gold. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. Investment Strategy: The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements.

Differentiation: Reliance ETF Gold BeES endeavors to track and provide similar returns to its benchmark- the domestic prices of gold through investment in physical gold and money market instruments. The fund follows a passive investment strategy and endeavors to generate returns similar to its benchmark. The fund is benchmarked to physical price of gold.

Month End AUM (Rs. Crore) as on February 28, 2019: 2428.28, No. of Folios as on February 28, 2019: 146989

Reliance ETF Nifty BeES

Asset Allocation Pattern: Securities constituting Nifty 50 Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents, Securitized Debts* -0-5%(* Investments in securitised debts can be made by the Scheme upto 5% of the net assets). Primary Investment Pattern: The investment objective of Reliance ETF Nifty BeES is to provide investment returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty 50 Index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. Investment Strategy: The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements.

Differentiation: Reliance ETF Nifty BeES endeavors to track and provide similar returns to its benchmark-Nifty 50 TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark.

Month End AUM (Rs. Crore) as on February 28, 2019: 1022.08, No. of Folios as on February 28, 2019: 35335

Reliance ETF Hang Seng BeES

Asset Allocation Pattern: Securities constituting Hang Seng Index - 95% to 100% Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents, mutual fund schemes/overseas exchange traded funds based on Hang Seng Index - 0% to 5%. Primary Investment Pattern: The investment objective of Reliance ETF Hang Seng BeES is to provide returns that, before expenses, closely correspond to the total returns of Securities as represented by Hang Seng Index of Hang Seng Data Services Limited, by investing in the Securities in the same proportion as in the index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. Investment Strategy: The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements.

Differentiation: Reliance ETF Hang Seng BeES endeavors to track and
provide similar returns to its benchmark- Hang Seng TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019: 7.53, No. of Folios as on February 28, 2019: 1045**

**Reliance ETF Infra BeES**

**Asset Allocation Pattern:** Securities covered by the Nifty Infrastructure Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents - 0% to 5%. **Primary Investment Pattern:** The investment objective of Reliance ETF Infra BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty Infrastructure Index by investing in the Securities in the same proportion as in the Index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. **Differentiation:** Reliance ETF Infra BeES endeavors to track and provide similar returns to its benchmark- Nifty Infrastructure TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019: 11.23, No. of Folios as on February 28, 2019: 1918**

**Reliance ETF Junior BeES**

**Asset Allocation Pattern:** Securities covered by Nifty Next 50 Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents - 0% to 5%. **Primary Investment Pattern:** The investment objective of Reliance ETF Junior BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by Nifty Next 50 Index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. **Differentiation:** Reliance ETF Junior BeES endeavors to track and provide similar returns to its benchmark- Nifty Next 50 TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019: 960.44, No. of Folios as on February 28, 2019: 26753**

**Reliance ETF PSU Bank BeES**

**Asset Allocation Pattern:** Securities covered by Nifty PSU Bank Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents - 0% to 5%. **Primary Investment Pattern:** The investment objective of Reliance ETF PSU Bank BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty PSU Bank Index. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. **Differentiation:** Reliance ETF PSU Bank BeES endeavors to track and provide similar returns to its benchmark- Nifty Next 50 PSU Bank TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019: 165.88, No. of Folios as on February 28, 2019: 2425**

**Reliance ETF Shariah BeES**

**Asset Allocation Pattern:** Securities covered by the Nifty50 Shariah Index - 95% to 100%, Cash - 0% to 5%. **Primary Investment Pattern:** The investment objective of Reliance ETF Shariah BeES is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty50 Shariah Index by investing in Securities which are constituents of the Nifty50 Shariah Index in the same proportion as in the Index. Investors to note that Reliance ETF Shariah BeES is not a Shariah compliant scheme. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The AMC uses a “passive” or indexing approach to try and achieve the Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets it tracks and does not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. **Differentiation:** Reliance ETF PSU Bank BeES endeavors to track and provide similar returns to its benchmark- Nifty50 Shariah TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019: 165.88, No. of Folios as on February 28, 2019: 2425**

**Reliance ETF Liquid BeES**

**Asset Allocation Pattern:** Treasury bills and Government Securities , Call Money, Tri-Party Repos, Repos and Reverse Repos - 95% to 100%, Other Money Market Instruments - 0% to 5%. **Primary Investment Pattern:** The investment objective of the Scheme is to seek to provide current income, commensurate with relatively low risk while providing a high level of liquidity, primarily through a portfolio of treasury bills, Government Securities, Call Money, Tri-Party Repo / similar instruments, Repos and Reverse Repos and other Money Market Instruments. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** All investments
of the Scheme would be in Government Securities, treasury bills (T Bills), Call Money, Tri-Party Repo /similar instruments, Repos and Reverse Repos and other Money Market Instruments.. **Differentiation:** Reliance ETF Liquid BeES seek to provide current income, commensurate with relatively low risk while providing a high level of liquidity, primarily through a portfolio of treasury bills, Government Securities, Call Money, Tri-Party Repo/ similar instruments, Repos and Reverse Repos and other Money Market Instruments. **Month End AUM (Rs. Crore) as on February 28, 2019:** 2051.78, **No. of Folios as on February 28, 2019:** 256631

**CPSE ETF**

**Asset Allocation Pattern:** Securities covered by the Nifty CPSE Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents - 0% to 5%. **Primary Investment Pattern:** The investment objective of the Scheme is to provide returns that, before expenses, closely correspond to the total returns of the Securities as represented by the Nifty CPSE Index, by investing in the Securities which are constituents of the Nifty CPSE Index in the same proportion as in the index. However the performance of the Scheme may differ from that of the underlying index due to tracking error. There can be no assurance or guarantee that the investment objective of the Scheme would be achieved. **Investment Strategy:** The AMC uses a “passive” or indexing approach to try and achieve Scheme’s investment objective. Unlike other Funds, the Scheme does not try to “beat” the markets they track and do not seek temporary defensive positions when markets decline or appear over valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment or the underlying nor will it attempt to apply any economic, financial or market analysis. Indexing eliminates active management risks with regard to over/ underperformance vis-à-vis a benchmark. The Scheme shall invest all of its funds as per its investment objective and asset allocation pattern, except to meet its liquidity requirements. **Differentiation:** CPSE ETF endeavors to track and provide similar returns to its benchmark- Nifty CPSE TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019:** 7228.04, **No. of Folios as on February 28, 2019:** 174343

**Reliance ETF Long Term Gilt**

**Asset Allocation Pattern:** Securities constituting Nifty 8-13 yr G-Sec Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days) - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the Nifty 8-13 yr G-Sec Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of Nifty 8-13 yr G-Sec Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty 8-13 yr G-Sec Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF Long Term Gilt endeavors to track and provide similar returns to its benchmark- Nifty 8-13 yr G-Sec Index by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019:** 2.76, **No. of Folios as on February 28, 2019:** 227

**Reliance ETF Nifty 100**

**Asset Allocation Pattern:** Securities constituting Nifty 100 Index - 95% to 100%, Money Market instruments including Tri-Party Repo (with maturity not exceeding 91 days) - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns that, before expenses, closely correspond to the total returns of the securities as represented by the Nifty 100 Index, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of Nifty 100 Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty 100 Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF Nifty 100 TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019:** 6.59, **No. of Folios as on February 28, 2019:** 1025

**Reliance ETF Consumption**

**Asset Allocation Pattern:** Securities constituting Nifty India Consumption Index - 95% to 100%, Money Market instruments including Tri-Party Repo (with maturity not exceeding 91 days) and liquid schemes of Mutual Fund - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns that, before expenses, closely correspond to the total returns of the securities as represented by the Nifty India Consumption Index, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of Nifty India Consumption Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty India Consumption Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF Consumption endeavors to track and provide similar returns to its benchmark- Nifty India Consumption TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. **Month End AUM (Rs. Crore) as on February 28, 2019:** 11.52, **No. of Folios as on February 28, 2019:** 984

**Reliance ETF Dividend Opportunities**

**Asset Allocation Pattern:** Securities constituting Nifty Dividend Opportunities 50 Index - 95% to 100%, Money Market instruments including Tri-Party Repo (with maturity not exceeding 91 days) and liquid schemes of Mutual Fund - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns that, before expenses, closely correspond to the total returns of the securities as represented by the Nifty Dividend Opportunities 50 Index, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of Nifty Dividend Opportunities 50 Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty Dividend Opportunities 50 Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities constituting the Nifty Dividend Opportunities 50 Index.
Reliance ETF Sensex

Asset Allocation Pattern: Securities constituting S&P BSE Sensex Index - 95% to 100%, Money Market instruments including Tri-Party Repo (with maturity not exceeding 91 days) - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the S&P BSE Sensex Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of S&P BSE Sensex Index. The Scheme seeks to achieve this goal by investing in securities constituting the S&P BSE Sensex Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments (including Tri-Party Repo) to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF Sensex endeavors to track and provide similar returns to its benchmark- S&P BSE Sensex TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. Month End AUM (Rs. Crore) as on February 28, 2019: 1.92, No. of Folios as on February 28, 2019: 468

Reliance ETF NV20

Asset Allocation Pattern: Securities constituting Nifty 50 Value 20 Index - 95% to 100%, Money Market instruments including Tri-Party Repo (with maturity not exceeding 91 days) - 0% to 5%. **Primary Investment Pattern:** The investment objective of the scheme is to provide investment returns closely corresponding to the total returns of the securities as represented by the Nifty 50 Value 20 Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** The Scheme employs a passive investment approach designed to track the performance of Nifty 50 Value 20 Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty 50 Value 20 Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments (including Tri-Party Repo) to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF NV20 shall track and provide similar returns to its benchmark- Nifty 50 Value 20 TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. Month End AUM (Rs. Crore) as on February 28, 2019: 14.45, No. of Folios as on February 28, 2019: 143

Reliance ETF Nifty Midcap 150

Asset Allocation Pattern: Securities constituting Nifty Midcap 50 Index - 95% to 100%, Money Market Instruments (with maturity not exceeding 91 days), including Tri-Party Repo, cash & cash equivalents or Liquid Schemes* (*The Fund Manager may invest in Liquid Schemes of Reliance Mutual Fund. However, the Fund Manager may invest in any other scheme of a mutual fund registered with SEBI, which invest predominantly in the money market securities.) - 0% to 5%. **Primary Investment Pattern:** The investment objective of Reliance ETF Nifty Midcap 150 is to provide investment returns closely corresponding to the total returns of the securities as represented by the Nifty Midcap150 Index before expenses, subject to tracking errors. However, there can be no assurance or guarantee that the investment objective of the Scheme will be achieved. **Investment Strategy:** Reliance ETF Nifty Midcap 150 is a passively managed exchange traded fund which will employ an investment approach designed to track the performance of Nifty Midcap 150 Index. The Scheme seeks to achieve this goal by investing in securities constituting the Nifty Midcap 150 Index in same proportion as in the Index. The Scheme will invest at least 95% of its total assets in the securities comprising the Underlying Index. The Scheme may also invest in money market instruments to meet the liquidity and expense requirements. **Differentiation:** Reliance ETF Nifty Midcap 150 endeavors to track and provide similar returns to its benchmark- Nifty Midcap 150 TRI by investing in its index constituents and money market instruments. The fund follows a passive strategy of management with endeavor to generate similar returns to its benchmark. Month End AUM (Rs. Crore) as on February 28, 2019: 14.42, No. of Folios as on February 28, 2019: 1091

Risk Mitigation Factors for all the above mentioned Schemes - Applicable for all the above mentioned Schemes. Robust measures implemented to mitigate Risk include, adoption of internal policies on investments and valuations, rigorous procedures for monitoring investment restrictions and effective implementation of various norms prescribed by SEBI from time to time.
III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

This section does not apply to the Scheme covered in this SID, as the Ongoing Offer of the Scheme has commenced after the NFO and the Units are available for continuous Subscription and Redemption.

B. ONGOING OFFER DETAILS

<table>
<thead>
<tr>
<th>Ongoing Offer Period</th>
<th>The Continuous Offer for the Scheme commenced from July 16, 2003</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ongoing Price for Subscription by Investors</th>
<th>A. Directly with the Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of the Scheme in less than Creation Unit cannot be Purchased directly with the Fund.</td>
<td></td>
</tr>
<tr>
<td>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</td>
<td></td>
</tr>
<tr>
<td>The number of Units of the Scheme that Investors can create is 2,500 Units and in multiples 1 (one) unit thereof.</td>
<td></td>
</tr>
<tr>
<td>The requisite Application Form for Purchase of Units of the Scheme in minimum Unit size is available at the office of the AMC and Registrar.</td>
<td></td>
</tr>
<tr>
<td>The amount payable will be the NAV per Unit of the Scheme as at the close of previous Working Day multiplied by the number of Units applied for. After the cheque is cleared and application is found to be complete in all respects, the number of Units applied for will be credited to the Depositary Participant account of applicant within 3 Working Days from the date of clearance of the funds. Units so allotted will be entitled to Dividends, if any, declared by the Fund from the date of allotment itself.</td>
<td></td>
</tr>
<tr>
<td>Creation of Units in such Scheme will be done only after full sighting of cash / portfolio deposit in such Scheme accounts.</td>
<td></td>
</tr>
</tbody>
</table>

B. On the Exchange

As the Units of the Scheme are listed on NSE, an Investor can buy Units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. There is no minimum investment, although Units are Purchased in round lots of 1 Unit.

<table>
<thead>
<tr>
<th>Ongoing Price for Redemption by Investors</th>
<th>A. Directly with the Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of the Scheme in less than Creation Unit cannot be Redeemed directly with the Fund.</td>
<td></td>
</tr>
<tr>
<td>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</td>
<td></td>
</tr>
<tr>
<td>The number of Units of the Scheme that Investors can Redeem is 2,500 Units and in multiples of 0.001 Units thereof.</td>
<td></td>
</tr>
<tr>
<td>The Redemption request can be made in pre-printed Redemption form. The Unit-holder can submit the Redemption request to the office of the AMC by sending Redemption request and transferring the Units of the Scheme to Redemption demat account of the Scheme.</td>
<td></td>
</tr>
<tr>
<td>The Applicable NAV for Redemption of Units of the Scheme is NAV per Unit of Reliance ETF Liquid BeES at the close of Working Day on which the application is received. The cheque towards Redemption proceeds will be mailed to the Investors within 10 Working Days from the date of Redemption request.</td>
<td></td>
</tr>
</tbody>
</table>

Procedure for Redemption in less than Creation Unit size

Where there have been no quotes on NSE for five trading days consecutively, an Investor can sell directly to the Fund Units of the Scheme for less than Creation Unit size, with an Exit Load as detailed under Section IV (D) (Load Structure) of this SID.

Investor other than Authorised Participants/Large investors can directly approach AMC for redemption in less than creation unit size and no exit load shall be charged for redemption of units if

a) Traded price of the ETF units is at discount of more than 3% to the NAV for continuous 30 days, or
b) Discount of bid price to NAV over a period of 7 consecutive days is greater than 3%, or
c) No quotes are available on exchange for 3 consecutive trading days, or
d) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received up to 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application.

Such instances shall be tracked by RNAM on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Reliance Mutual Fund i.e. www.reliancemutual.com / www.relianceetf.com

B. On the Exchange

As the Units of the Scheme are listed on NSE, an Investor can sell Units on continuous basis on the capital market segment of NSE during trading hours like any other publicly traded stock at prices which may be close to the actual NAV of the Scheme. The Units are sold in round lots of 1 Unit.
### Ongoing Subscription / Redemption of Reliance ETF Liquid BeES on stock exchange

In addition to direct subscription and redemption as outlined above, for the benefit of investors buying and selling units of the Scheme on NSE, the Fund will endeavour to provide liquidity directly on the trading system of NSE where the units are listed.

This liquidity may be provided by the Fund by giving two-way quotes on the NSE. All costs directly attributable to trading of units on the exchanges such as exchange turnover charges, stamp duty on contract, brokerage costs etc. will be added/deducted from the NAV to arrive at the sell and buy quotes respectively.

All trades executed on NSE on the above account will be directly settled by Custodian. While a net buy position in units on a trading day would be treated as an application for redemption, a net sell position in units would be treated as an application for subscription. Accordingly, in case of a net sell position in units, the Fund will arrange to issue additional units through depositories.

All profits made as a result of the above activity will remain in the Scheme for the benefit of the investors. However, in the unlikely event of the above activity resulting in a loss, the entire loss will be borne by the AMC. However, it is not binding on the Fund to give two-way quotes on the Exchange.

### Cut-off timing for Subscriptions / Redemptions

**This is the time before which your application (complete in all respects) should reach the Official Points of Acceptance**

**Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised stock exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.**

1. **Cut off timing for Subscriptions:**
   i. where the application is received upto 2.00 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization before the Cut-off time without availing any credit facility, whether, intra-day or otherwise - the closing NAV of the day immediately preceding the day of receipt of application;
   ii. where the application is received after 2.00 p.m. on a day at the Official Point(s) of Acceptance and the entire funds are available for utilization on the same day without availing any credit facility, whether, intra-day or otherwise - the closing NAV of the day immediately preceding the next Working Day; and
   iii. irrespective of the time of receipt of application, where the funds are not available for utilization before the Cut-off time without availing any credit facility, whether, intra-day or otherwise - the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

   For allotment of Units in respect of Purchase, it shall be ensured that Application is received before the applicable Cut-off time.
   i. Funds for the entire amount of Subscription /Purchase as per the application are credited to the bank account of the respective liquid Scheme before the Cut-off time.
   ii. The funds are available for utilization before the Cut-off time without availing any credit facility whether intra-day or otherwise, by the respective liquid Scheme.

   The above provisions of Cut-off timings for Subscriptions are applicable for Purchase of Units directly with the Fund. However, Reliance ETF Liquid BeES, being an Exchange Traded Fund (ETF), the above provisions will not be applicable for Purchase of Units on the stock exchanges in which case the timings of the stock exchanges will be applicable.

2. **Cut off timing for Redemptions:**
   (a) In respect of valid applications received upto 3.00 pm by the Fund, the closing NAV of the day immediately preceding the next Working Day.
   (b) In respect of valid applications received after 3.00 pm by the Fund, closing NAV of the next Working Day shall be applicable.

As the Units issued under the Scheme are listed, the provisions of the Cut-off time are not applicable.

### Where can the applications for Subscription / Redemption be submitted?

Authorised Participants / Large Investors may submit / mail the completed application forms at any of the Designated Investor Service Centers of Reliance Mutual Fund. The addresses of the Designated Investor Service Centers are mentioned in this Scheme Information Document. Investors in cities other than where the Designated Investor Service Centers (DISC) are located, may send their application forms to any of the nearest DISC, accompanied by Demand Draft/s payable locally at the DISC.

### Minimum Amount for Purchase / Redemption

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum number of Units (Creation Units)</strong></td>
<td>- Purchase: 2,500 Units and in multiples of 1 thereof</td>
</tr>
<tr>
<td></td>
<td>- Redemption: 2,500 Units and in multiples of 0.001 unit thereof</td>
</tr>
<tr>
<td><strong>On the Exchange</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Units of the Scheme can be Purchased/ sold in minimum lot of 1 Unit and in multiples thereof.</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nil</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Plans / Options offered

The Scheme declares daily Dividend which is compulsorily reinvested in the Scheme.
**Dividend Policy**

The Fund will endeavour to declare Dividend on a daily basis so as to maintain the NAV of the Units of the Scheme at its face value of Rs.1,000/- . The Fund will declare Dividend only if the NAV of the Scheme is above its face value and Dividend declaration will be solely at the discretion of the Fund/AMC. Dividend declared on daily basis will be compulsorily reinvested in the Scheme and Units arising out of Dividend reinvestment will be credited to the account of the Investor with the Depository Participant. Dividend will accrue on Saturday and Sunday also. As the Units of the Scheme are in demat, the holding statement issued by the Depository Participant would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account with respect to Units issued due to reinvestment of Dividend.

**Fractional Units**

The reinvestment of Dividend in the Scheme may result in the fractional Units. The Units will be allotted up to three decimals. The Scheme provides for buy back of fractional Units on ongoing basis.

**Dematerialization**

i. The Units of the Scheme are available in the dematerialized (electronic) mode.

ii. The applicant under the Scheme is required to have a beneficiary account with a Depository Participant of NSDL/CDSL and are required to indicate in the application the Depository Participant’s name, Depository Participant ID Number and beneficiary account number of the applicant with the Depository Participant.

iii. The Units of the Scheme are issued/repurchased and traded compulsorily in dematerialized form.

Applications without relevant details of his/her/its depository account are liable to be rejected.

**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>Category</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>(xvii) Other associations, institutions, bodies etc. authorized to invest in Units.</td>
<td></td>
</tr>
<tr>
<td>(xviii) Insurers, insurance companies / corporations registered with the Insurance Regulatory Development Authority (subject to Master Circular on IRDAI (Investment) Regulations, 2016 issued in August 2016).</td>
<td></td>
</tr>
</tbody>
</table>

All cheques and bank drafts accompanying the Application Form should contain the Application Form number on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/AMC may ask the Investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.

Applications without relevant details of the applicant’s depository account are liable to be rejected.

**Notes:**

1. Returned cheques are not liable to be presented again for collection, and the accompanying Application Forms are liable to be rejected.

2. It is expressly understood that at the time of investment, the Investor / Unit holder has the express authority to invest in Units of the Scheme and the AMC / Trustees / Fund will not be responsible if such investment is ultra vires the relevant constitution. Subject to the SEBI Regulations, the AMC / Trustees may reject any application received in case the application is found to be invalid/ incomplete or for any other reason in the AMC / Trustees’ sole discretion.
3. The Trustees/ AMC may also periodically add and review the persons eligible for making application for Purchase of Units under the Scheme. If a person who is a Indian resident (i.e. ‘person resident in India’, as defined under The Foreign Exchange Management Act 1999, as amended from time to time) at the time of Subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid the Redemption Price of the Units, or continue into the Scheme if he/she so desires and is otherwise eligible. The Trustees / AMC reserve the right to close the Unit holder account and to pay the Redemption Price of the Units, subsequent to the Unit holder becoming a person resident outside India, should the reasons of cost, interest of other Unit holders and any other circumstances make it desirable for the AMC / Trustees to do so, in accordance with the SEBI Regulations. The Trustees / AMC may request for any information / documentation from such Unit holders in connection with change in the residential status of the Unit holder.

4. It is compulsory for Investors / Unit holders to give certain mandatory disclosures while making applications for the Subscription of Units of the Scheme / Redemption and also follow the KYC Requirements as provided in the Statement of Additional Information / Application Form. For details please refer to the section on ‘How to Apply’ in Statement of Additional Information.

5. The Units of the Scheme are not ‘public Securities’ under the relevant statutes and any religious and charitable trust that seeks to invest in the Units of the Scheme will require prior approval of the appropriate authority.

6. Neither this Scheme Information Document (“SID”) Key Information Document (“KIM”) Statement of Additional Information (“SAI”) [“Scheme Related Documents”] nor the units of the scheme(s) have been registered under the relevant laws, as applicable in the territorial jurisdiction of United States of America nor in any provincial/ territorial jurisdiction in Canada. It is being clearly stated that the Scheme Related Documents and/or the units of the schemes of Reliance Mutual Fund have been filed only with the regulator(s) having jurisdiction in the Republic of India. The distribution of these Scheme Related Documents in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of these Scheme Related Documents are required to inform themselves about, and to observe any such restrictions.

No persons receiving a copy of these Scheme Related Documents or any KIM accompanying application form jurisdiction may treat such Scheme Related Documents as an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly these Scheme Related Documents do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of such persons in possession of the Scheme Related Documents and any persons wishing to apply for units pursuant to these Scheme Related Documents to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

The RNAM shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the RNAM. The investor shall be responsible for complying with all the applicable laws for such investments.

The RNAM reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the RNAM, which are not in compliance with the terms and conditions notified in this regard.

7. **Foreign Account Tax Compliance**

In accordance with the relevant provisions of the Foreign Account Tax Compliance Act (“FATCA”) as contained in the United States Hiring Incentives to Restore Employment (“HIRE”) Act, 2010, there is a likelihood of withholding tax being levied on certain income/ receipt sourced from the subjects of United States of America (“US”) with respect to the schemes, unless such schemes are FATCA compliant.

In this regard, the respective governments of India and US have signed an Inter Governmental Agreement -1 (IGA) on July 9, 2015. In the terms of this proposed IGA, Reliance Mutual Fund (“RMF”) and/or Reliance Nippon Life Asset Management Limited (RNAM / AMC) classified as a “Foreign Financial Institution” and in which case RMF and/or RNAM would be required, from time to time, to (a) undertake the necessary due-diligence process; (b) identify US reportable accounts; (c) collect certain required information/documentary evidence (“information”) with respect to the residential status of the unit holders; and (d) directly or indirectly disclose/report/ submit such or other relevant information to the appropriate Indian authorities. Such information may include (without limitation) the unit holder’s folio detail, identity of the unit holder, details of the beneficial owners and controlling persons etc.

In this regard and in order to comply with the relevant provisions under FATCA, the unit holders would be required to fully cooperate & furnish the required information to the AMC, as and when deemed necessary by the latter in accordance with IGA and/or relevant circulars or guidelines etc, which may be issued from time to time by SEBI/ AMFI or any other relevant & appropriate authorities.
The applications which do not provide the necessary information are liable to be rejected. The applicants/ unit holders/prospective investors are advised to seek independent advice from their own financial & tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s).

The underlying FATCA requirements are applicable from July 1, 2014 or such other date, as may be notified. In case required, RMF/ RNAM reserves the right to change/modify the provisions (mentioned above) at a later date.

The Fund / Trustees / AMC reserve the right to include / exclude new / existing categories of Investors to invest in the Scheme from time to time, subject to applicable Laws, if any.

**Rejection of the application:**
Subject to the SEBI Regulations and applicable Laws, any application for Units may be accepted or rejected at the sole and absolute discretion of the Trustees / AMC. For example and without limitations, the Trustees/AMC may reject any application for the Purchase of Units if the application is received from Investor to whom the Units cannot be lawfully or validly offered or by whom the Units cannot be lawfully or validly subscribed or any other additional administrative processes required with respect to such Investors or if the application is invalid or incomplete, or if, in its opinion, increasing the size of the Scheme’s Unit Capital is not in the general interest of the Unit holders, or if the Trustees/ AMC for any other reason does not believe that it would be in the best interest of the Scheme or its Unit holders to accept such an application.

**Further information request by the AMC/Trustees:**
The AMC / Trustees may request Investors / Unit holders to provide verification of their identity or other further details as may be required in the opinion of the AMC / Trustees under applicable Laws. This may result in a delay in dealing with the applicants, Unit holders, benefits, distribution, etc.

| How to Apply | Please refer to the SAI and Application Form for the instructions. |

| Special products available | The Scheme does not offer Systematic Investment Plans, Systematic Transfer Plans or Systematic Withdrawal Plans. |

| Account Statements |

- Units issued by the AMC under the scheme shall be credited to the investor’s beneficiary account with a Depository Participant (DP) of CDSL or NSDL. The AMC will credit the units to the beneficiary account of the unitholder within five business days from the date of receipt of credit of the Cash.
- With a view to create one record for all financial assets of every individual, SEBI vide its Circular no. Cir/ IMD/DG/16/2011 dated September 8, 2011 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 enabled a single consolidated view of all the investments of an investor in Mutual Funds (MF) and securities held in demat form with the Depositories.
- In accordance with the above, the following shall be applicable for unitholders having a Demat Account:
  - Investors having MF investments and holding securities in Demat account shall receive a Single Consolidated Account Statement from the Depository.
  - Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.
  - If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios depositories shall send the CAS within ten days from the month end. In case there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.

| Redemption |

- For Redemption request received directly with the Fund
- The Redemption or repurchase proceeds shall be dispatched to the Unit holders within 10 Working Days from the date of Redemption or repurchase.

  **Payment of proceeds**
  - The Fund will dispatch the Redemption proceeds within 10 Working Days from the date of acceptance of the Redemption request.
  - 1. Resident Investors
     - In case the Unit holder requests, Redemption proceeds will be paid by cheques, such cheques will be 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 / Depository).
     - The Redemption cheque will be issued in favour of the sole / first Unit holder’s registered name and bank account number, and will be mailed to the registered address of the sole / first holder as indicated in the original Application Form.
     - The Redemption cheque will be payable at par. If the Unit holder is located outside the locations from where the cheque is payable at par, a demand draft payable at the city of his residence will be issued.
     - The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the Investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.
     - The Redemption proceeds may be paid by way of direct credit / NEFT / RTGS / ECS or any other manner to the Investor’s bank account specified in the Registrar’s / Depository’s records.
     - Note: The Trustees, at its discretion at a later date, may choose to alter or add other modes of payment.
  - 2. Non-Resident Indian Investors / FPIs
    - Units held by NRI Investors and FPIs may be Redeemed by such Unit holder by tendering Units to the AMC or for payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. Provisions with respect to NRIs / FPIs stated above, is as per the AMC/Trustee’s understanding of the Laws currently prevalent in India and such Redemption proceeds will be remitted depending upon the source of investment as follows:
(a) Repatriation Basis

When Units have been Purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit holder’s FCNR deposit or from funds held in the Unit holder’s Non Resident (External) Rupee account kept in India, the proceeds will be remitted to the Unit holder in Rupees for crediting to his NRE / FCNR / Non-Resident (Ordinary) account and the authorized dealer of the Unit holder will convert the payments in foreign currency.

(b) Non-Repatriation Basis

When Units have been Purchased from funds held in the Unit holder’s non-resident (ordinary) account, the proceeds will be sent to the Unit holder’s Indian address for crediting to the Unit holder’s non-resident (ordinary) account.

For FPIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the foreign currency account or non-resident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI.

For item (a) and (b) above, the AMC / Trustees / Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while the authorized dealer converts the Rupee amount in foreign exchange in the case of transactions with NRIs FPIs.

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

Effects of Redemption

Units once Redeemed will be extinguished and will not be re-issued.

As the Units of the Scheme are in demat form, the periodic holding statement issued by the Depository Participant (indicating the new balance to the credit in the account) would be deemed to be adequate compliance with requirements of SEBI regarding dispatch of statements of account.

General Provisions

As Units may not be held by any person in breach of the SEBI Regulations, applicable Laws or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Trustees / AMC may mandatorily Redeem all the Units of any Unit holder where the Units are held by a Unit holder in breach of the same. The Trustees / AMC may also mandatorily Redeem Units held by Unit holders which the Trustees/ AMC, in their sole opinion, suspect to be engaged in market-timing or excessive trading or unfair or suspicious practices, or if the Trustees / AMC for any other reason believe that mandatory Redemption of such Unit holders would generally be in the interest of the Scheme or its Unit holders.

In case an Investor has Purchased Units on more than 1 Working Day (either under during the NFO Period or during the Ongoing Offer Period), the Units Purchased prior in time (i.e. those Units which have been held for the longest period of time), will be Redeemed first i.e. on a first-in - first-out basis.

For further details on Redemption also refer to Statement of Additional Information.

The Trustees/ AMC may mandatorily Redeem Units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete without limitation to verifying their identity

If a Unit holder makes a Redemption request immediately after Purchase of Units, the Fund shall have a right to withhold the Redemption request in accordance with the conditions provided in the Statement of Additional Information. However, this is only applicable if sufficient balance is not available in the Unit holders account to effect such a Redemption and the value of Redemption is such that some or all of the freshly Purchased Units may have to be Redeemed to effect such Redemption.

Delay in payment of Redemption / repurchase proceeds

The AMC 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).

Policy on Unclaimed Redemption and Dividend Amounts

In terms of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed redemption amount and dividend amounts (the funds) may be deployed by the Mutual Fund in money market instruments and separate plan of liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts only. Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned.

on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/dividend amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. Further, the Investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.
Buying/Selling of Units of the Scheme on the NSE is just like buying/selling any other normal listed security. If an Investor has bought Units, then such Investor has to pay the Purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the NSE. If an Investor has sold Units, then such Investor has to deliver the Units to the broker/sub-broker before the Securities pay-in day of the settlement cycle on the NSE. The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the payout day of the settlement cycle on the NSE. The NSE regulations stipulate that the trading member should pay the money or Units to the Investor within 24 hours of the payout.

If an Investor has bought Units, then such Investor should give Standing Instructions for ‘Delivery-In’ to its Depository Participant for accepting Units in its beneficiary account. An Investor should give the details of its beneficiary account and the Depository Participant-ID of their Depository Participant to their trading member. The trading member will transfer the Units directly to the beneficiary account of the Investor on receipt of the same from NSE’s clearing corporation.

An Investor who has sold Units should instruct their Depository Participant to give ‘Delivery Out’ instructions to transfer the Units from their beneficiary account to the Pool Account of their trading member through whom they have sold the Units. The details of the Pool A/c (CM-BP-ID) of their trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by them to the Depository Participant. The instructions should be given well before the prescribed Securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the Cut-off time for the prescribed Securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.

Presently, AMC does not intend to re-issue the Units once Redeemed. The number of Units held by the Unit holder in his demat account will stand reduced by the number of Units Redeemed.

The rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The pay-in and pay-out of funds and Securities are prescribed as per the settlement cycle. A typical settlement cycle of rolling settlement is given below:

<table>
<thead>
<tr>
<th>Day</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
<td>The day on which the transaction is executed by a trading member</td>
</tr>
<tr>
<td>T+1</td>
<td>Confirmation of all trades including custodial trades by 11.00 a.m.</td>
</tr>
<tr>
<td>T+1</td>
<td>Processing and downloading of obligation files to brokers / Custodians by 1.30 p.m.</td>
</tr>
<tr>
<td>T+2</td>
<td>Pay-in of funds and Securities by 11.00 a.m.</td>
</tr>
<tr>
<td>T+2</td>
<td>Pay-out of funds and Securities by 1.30 p.m.</td>
</tr>
</tbody>
</table>

While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays), Exchange holidays and bank holidays are not taken into consideration.

Presently, AMC does not intend to re-issue the Units once Redeemed. The number of Units held by the Unit holder in his demat account will stand reduced by the number of Units Redeemed.

Please refer SAI for further details in this regard.

As the Units of the Scheme will be issued in demat (electronic) form, the Units will be transferred and transmitted in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time.

**Right to Limit Fresh Subscription & Redemption**

In case the size of the Scheme increases to a level which in the opinion of the Trustees is not manageable, the Trustees reserve the right to stop fresh Subscription of Units in order to reduce the size to a manageable level.

The Trustee reserves the right in its sole discretion to withdraw/suspend sale of the Scheme’s Units temporarily or indefinitely, if it is viewed that increasing the size further may prove detrimental to the existing Unit holders of the Scheme. An order to Purchase the Units is not binding on and may be rejected by the AMC until it has been confirmed in writing by the AMC and payment has been received for the same.

**Right to Limit Redemption**

The Trustee and AMC 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 Working Day for redemption requests of more than Rs. 2 Lakhs per folio at a scheme level. In line with the SEBI Circular dated May 31, 2016 the following conditions would be applicable:

a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
### C. PERIODIC DISCLOSURES

#### 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.

The Mutual Fund shall normally declare the NAV of the Scheme on every Working Day on AMFI’s website (www.amfiindia.com) by 9.00 p.m. and also on its website www.reliancemutual.com / www.relianceetf.com. Further, AMC will extend facility of sending latest available NAVs to unitholders through SMS, upon receiving a specific request in this regard.

Investors may obtain NAV information on any Working Day by calling the office of the AMC or any of the Investor Service Centres.

In case of delay beyond 9 p.m., the reasons for delay would be explained in writing to AMFI. If the NAVs are not available before commencement of the business hours on the following day due to any reasons, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund will be able to publish the NAV.

#### Monthly Disclosures: Portfolio
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 the portfolio disclosures.

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 / www.relianceetf.com and AMFI site www.amfiindia.com

In case of unitholders whose e-mail addresses are registered, the Mutual Funds/AMCs shall send via email both the monthly statement of scheme portfolio within 10 days from the close of each month respectively.

AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

Refer below link for latest monthly portfolio of the Scheme:
https://www.reliancemutual.com/investor-services/downloads/factsheets/

#### Half yearly Disclosures: Portfolio
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.

The fund shall disclose the scheme’s portfolio in the prescribed format as on the last day of the Half year for all the Schemes of RMF on or before the tenth day of the succeeding month or within such timelines and manner as prescribed by SEBI from time to time on the RMF Website i.e. www.reliancemutual.com/ www.relianceetf.com and AMFI site www.amfiindia.com

In case of unitholders whose e-mail addresses are registered, the Mutual Funds/AMCs shall send via email the half-yearly statement of scheme portfolio within 10 days from the close of each half-year respectively.

AMC will provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

The portfolio statement will also be placed on the website of the Mutual Fund www.reliancemutual.com / www.relianceetf.com and a link will be provided on www.amfiindia.com.
**Half Yearly Results**

Reliance Mutual Fund and Reliance Nippon Life Asset Management Limited shall before the expiry of one month from the close of each half year (i.e. 31st March and 30th September), host a soft copy of its unaudited financial results on the website of the Mutual Fund www.reliancemutual.com / www.relianceetf.com and a link will be provided on www.amfindia.com and shall publish an advertisement disclosing the hosting of such financial results on the Mutual Fund website in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the head office of the Fund is situated.

**Annual Report**

The scheme wise annual report shall be hosted on the website of the AMC and on the website of the AMFI soon as may be possible but not later than four months from the date of closure of the relevant accounting year. The AMC shall publish an advertisement every year in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC.

The AMC shall email the annual report or an abridged summary thereof to the unitholders whose email addresses are registered with the Fund. The unitholders whose e-mail addresses are not registered with the Fund are requested to update / provide their email address to the Fund for updating the database. Physical copy of scheme wise annual report or abridged summary shall be provided to investors who have opted to receive the same.

AMC shall provide a physical copy of the abridged summary of the annual report, without charging any cost, on specific request received from a unitholder.

As per regulation 56(3A) of the Regulations, copy of scheme wise Annual Report shall be also made available to unitholder on payment of nominal fees.

**Associate Transactions**

Please refer to Statement of Additional Information (SAI).

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### 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 The Finance Act, 2019

**Other than Equity Oriented Funds**

<table>
<thead>
<tr>
<th>Income in the hands of →</th>
<th>Individual &amp; HUF</th>
<th>Domestic Company</th>
<th>NRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of Income ↓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend Distribution Tax</td>
<td><strong>on Grossed up value of Dividend</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Money market and Liquid schemes²</td>
<td>25% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
<td>30% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
<td>25% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
</tr>
<tr>
<td>In Other schemes</td>
<td>25% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
<td>30% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
<td>25% basic tax + surcharge + Health &amp; education cess (as applicable)</td>
</tr>
</tbody>
</table>

**Capital Gain For FY 2019-20**

| Long Term Capital Gain³ | 20% with indexation + Surcharge + Health & Education cess (as applicable) | 20% with indexation + Surcharge + Health & Education cess (as applicable) | In case of Listed Mutual Fund Units |
|                        | 20% with indexation + Surcharge + Health & Education cess (as applicable) | 20% with indexation + Surcharge + Health & Education cess (as applicable) | In case of Non-Listed Mutual Fund Units |

| Short Term Capital Gain³ | Will be taxed at the normal rates depending upon the slab of each individual + Surcharge + Health & Education cess (as applicable) | 30% + Surcharge + Health & Education cess (as applicable) | Will be taxed at the normal rates depending upon the slab of each individual + Surcharge + Health & Education cess (as applicable) |

#### 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 there under.

3. 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.

Further, Finance (No.2) Act 2014 amends the definition of short term capital assets for a unit of Mutual fund (other than equity oriented fund). Accordingly short term capital gain will be taxable if assets are held for less than 36 months and Long term Capital Gain would mean gain other than Short Term Capital Gain. The amendment is effective from July 11, 2014.

4. The Surcharge applicable for FY 2019-20:

<table>
<thead>
<tr>
<th>Assessee</th>
<th>If income below Rs. 0.50 crore</th>
<th>If income exceeds Rs. 0.50 crore but less than Rs. 1 crores</th>
<th>If income exceeds Rs. 1 crore but less than Rs. 10 crores</th>
<th>If income exceeds Rs.10 crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual (including proprietorships), Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individual (BOI)</td>
<td>NIL</td>
<td>10%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Co-operative Society, Local Authority and Partnership Firms (including LLPs)</td>
<td>Nil</td>
<td>NIL</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Indian Corporates</td>
<td>Nil</td>
<td>NIL</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>Foreign Corporates</td>
<td>Nil</td>
<td>NIL</td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

5. The tax rates will be increased by surcharge, Health & education cess as applicable. Finance Act, 2018 has discontinued “Education Cess on income-tax” and “Secondary and Higher Education Cess on income-tax”. However, a new Cess “Health and Education Cess” introduced at the rate of 4% of income tax including surcharge wherever applicable w.e.f. April 1, 2018.

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

6. Non Listed securities mean securities other than Listed Securities.

7. 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.

8. 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.
Mr. Bhalchandra Joshi is the Investor Relations Officer for the Fund. All related queries should be addressed to him at the following address:

Mr. Bhalchandra Joshi, Chief – Service Delivery and Operations Excellence
Reliance Nippon Life Asset Management Limited
Reliance Centre,
Off Western Express Highway,
Santacruz (East), Mumbai - 400 055.
Tel No. - 022- 33031000;
Fax No. - 022- 33037662
Email: bhalchandra.y.joshi@relianceada.com

Scheme’s top 10 portfolio holdings by issuer and sector allocation as of February 28, 2019:
As the Scheme is an exchange traded liquid fund investing in Tri-Party Repo, there is no Top 10 portfolio holding by issuer or sector allocation. The Scheme’s portfolio holding is as below:

Top 10 Portfolio Holdings:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Weightage (%)</th>
<th>Sectors</th>
<th>% Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing Corporation of India Ltd</td>
<td>99.07</td>
<td>Others</td>
<td>99.07</td>
</tr>
<tr>
<td>IDFC First Bank Limited</td>
<td>0.97</td>
<td>Financial Services</td>
<td>0.97</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalent:</td>
<td>-0.05</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Refer below link for latest monthly portfolio of the Scheme:

https://www.reliancemutual.com/investor-services/downloads/factsheets/

Aggregate Investments in the scheme by Board of Directors / Fund Managers / Other Key Managerial Persons as on March 15, 2019

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Aggregate Investments (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>Nil</td>
</tr>
<tr>
<td>Fund Managers</td>
<td>0.01</td>
</tr>
<tr>
<td>Other Key Managerial Persons</td>
<td>0.16</td>
</tr>
</tbody>
</table>

Note: Investment by Executive Director-cum-CEO is included in the aggregate investments by Other Key Managerial Persons.

D. COMPUTATION OF NAV

NAV of Units under the Scheme shall be calculated as shown below:

\[
\text{NAV (Rs.)} = \frac{\text{Market or fair value of Scheme’s investments} + \text{Current assets} - \text{current liabilities and provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme on the valuation date}}
\]

Example: If the applicable NAV is Rs. 10.00, sales/entry load if any is 2 per cent and the exit/repurchase load is 2 percent then the sales price will be Rs. 10.20 and the repurchase price will be Rs. 9.80.

The NAV of each Scheme will be calculated upto four decimals. The NAV shall be calculated and announced at the close of each Working Day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time. The NAV of the scheme will also be displayed on the website of the Mutual Fund (www.reliancemutual.com / www.relianceetf.com) and on the website of AMFI (www.amfiindia.com) by 9.00 p.m. on every Working Day. In case of any delay, the reasons for such delay would be explained in writing to AMFI the following day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.

Please refer to the SAI for information on the valuation of the assets of the Scheme.
IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme and also about the transaction charges to be borne by the Investors.

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc.

As per the provisions of the SEBI Regulations, read with the amendments thereto, the entire expenses were charged to the Scheme.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents’ fee, marketing and selling costs etc. as given in the table below:

The AMC would update the current expense ratios on the website of the mutual fund at least three working days prior to the effective date of the change. Further Actual Expense ratio will be disclosed at the following link https://www.reliancemutual.com/Pages/Total-Expense-Ratio-of-Mutual-Fund-Schemes.aspx

Estimated Expense Structure

<table>
<thead>
<tr>
<th>Expense Head</th>
<th>% of Net Assets Up to 31.03.2019</th>
<th>% of Net Assets W.e.f. 1. 4. 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment management and advisory fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustee fee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Custodian fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTA Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Listing &amp; licensing fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing and selling expense including agent commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost related to Investor communications</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of fund transfer from location to location</td>
<td>Upto 1.50%</td>
<td>Upto 1.00%</td>
</tr>
<tr>
<td>Cost of providing account statements and Dividend / Redemption cheques and warrants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of statutory advertisements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost towards investor education &amp; awareness (at least 2 bps)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brokerage and transaction cost over and above 12 bps and 5 bps for cash and Derivative market trades respectively</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods &amp; Service Tax on expenses other than investment and advisory fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Expenses**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum total expense ratio (TER) permissible under Regulation 52(6)(b)</td>
<td>Upto 1.50%</td>
<td>Upto 1.00%</td>
</tr>
<tr>
<td>Additional expenses for gross new inflows from specified investors and cities under Regulation 52(6A)(b)</td>
<td>Upto 0.30%</td>
<td>Upto 0.30%</td>
</tr>
</tbody>
</table>

The Scheme shall not incur any distribution expenses and no commission shall be paid by this scheme.

(# Expenses including listing fees 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.)

Pursuant to Securities and Exchange Board of India (Mutual Funds) (Fourth Amendment) Regulations, 2018, the total expense ratio charged to the scheme shall be revised with effect from April 1, 2019.

Illustration – Impact of Expense Ratio on the Returns

<table>
<thead>
<tr>
<th>Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Invested</td>
</tr>
<tr>
<td>NAV at the time of Investment</td>
</tr>
<tr>
<td>No of Units</td>
</tr>
<tr>
<td>Gross NAV at end of 1 year (assuming 12% annual return)</td>
</tr>
<tr>
<td>Expenses (assuming 1% Expense Ratio on average of opening and closing NAV)</td>
</tr>
<tr>
<td>Actual NAV at end of 1 year post expenses (assuming Expense Ratio as above)</td>
</tr>
<tr>
<td>Value of Investment at end of 1 year (Before Expenses)</td>
</tr>
<tr>
<td>Value of Investment at end of 1 year (After Expenses)</td>
</tr>
</tbody>
</table>

Note: Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.
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.

Goods & Service tax on investment management and advisory fees, to the Scheme will be, in addition to the maximum annual recurring expenses that may be charged to the Scheme.

Goods & 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.

However, no Investment Management fees would be charged on RNAM’s investment in the Scheme. The Trustee Company, shall be entitled to receive a sum computed @ 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 ETF scheme including the investment management and advisory fee shall not exceed one and half percent (1.5% up to March 31, 2019) and One percent (1% w.e.f April 01, 2019) of the daily net assets and such other limits as stated in Regulation 52(6).

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. Payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent for cash market transactions 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 specific investors and 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 utilised 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;

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. TRANSACTION CHARGES

Deduction of Transaction charges for investments through Distributors / agents:

In accordance with SEBI Circular No. Cir/IMD/DF/13/2011 dated August 22, 2011, and Circular No.Cir/IMD/DF/21/2012 dated September 13, 2012, the AMC/ Mutual Fund shall deduct transaction charges as per the following details from the Subscription amount. The amount so deducted shall be paid to the empanelled Distributor / agent of the Investor (in case the empanelled AMFI registered Distributor / agent has “opted in” to receive the transaction charge for this type of product) and the balance shall be invested in the Scheme.

(i) First Time Investor Across Mutual Funds

Transaction charge of Rs 150/- per Subscription of Rs 10,000/- and above will be deducted from the Subscription amount and paid to the Distributor / agent of the first time Investor and the balance shall be invested. For eg: If the Investor invests Rs 10,000 in the Scheme, then Rs 150/- would be paid to the Distributor and only Rs 9,850/- will be invested in the Scheme.

(ii) Existing Investor Across Mutual Funds

Transaction charge of Rs 100/- per Subscription of Rs 10,000/- and above will be deducted from the Subscription amount and paid to the Distributor / agent of the Investor and the balance shall be invested. For eg: If the Investor invests Rs 10,000 in the Scheme, then Rs 100/- would be paid to the Distributor and only Rs 9,900/- will be invested in the Scheme.

However, transaction charges in case of investments through SIP shall be deducted only if the total commitment (i.e. the amount per SIP installment x No. of installments) amounts to Rs 10,000/- or more. The transaction charges shall be deducted after the 1st installment in 4 equal installments.

(iii) Transaction charges shall not be deducted for:
(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.

D. LOAD STRUCTURE

Entry Load - Nil
Exit Load - Nil

Investor other than Authorised Participants/Large investors can directly approach AMC for redemption in less than creation unit size and no exit load shall be charged for redemption of units if

a) Traded price of the ETF units is at discount of more than 3% to the NAV for continuous 30 days, or
b) Discount of bid price to NAV over a period of 7 consecutive days is greater than 3%, or
c) No quotes are available on exchange for 3 consecutive trading days, or
d) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

In such a scenario valid applications received upto 3 p.m. the Mutual Fund shall process the redemption request basis the closing NAV of the day of receipt of application.

Such instances shall be tracked by RNAM on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of Reliance Mutual Fund i.e. www.reliancemutual.com / www.relianceetf.com

For the current applicable structure, please refer to the website of the Mutual Fund, www.reliancemutual.com / www.relianceetf.com or call at (toll free no. 1800 300 11111) or your distributor..

There is no Entry/Exit Load for creation/Redemption of the Units of the Scheme in Creation Unit size. However, during the process of creation/Redemption there will be transaction costs and other incidental expenses.

Exit Load for Redemptions in Cash

In case of Redemption of Units of the Scheme for less than Creation Unit size, directly with the Fund, where there have been no quotes on NSE for five trading days consecutively, an Investor can sell to the Fund with an Exit Load of 2%.

Service tax on Exit Load, if any, shall be paid out of the Exit Load proceeds and Exit Load net of service tax, if any, shall be credited to the Scheme.

Any change in the Load structure shall apply on a prospective basis and in no case the same would affect the existing Investors adversely. The Investor is requested to check the prevailing Load structure of the Scheme before investing. For any change in Load structure, AMC will issue the notice and display it on the AMC Website / Investor Service Centres.

The Mutual Fund may charge Load within the stipulated limit of 7% and without any discrimination in favor of any specific group of Unit holders. The AMC will ensure that the Redemption Price will not be lower than 93% of the NAV and difference between the Redemption Price and Purchase Price will not exceed 7% calculated on the Purchase Price.

Please note that the AMC reserves the right to modify or alter the Load structure of the Scheme subject to maximum limits prescribed under the SEBI Regulations.

In the event of a change of Load structure, the AMC will take following steps:

i. The addendum detailing the changes shall be attached to SID and KIM. The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
ii. Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all Investor Service Centres and distributors/brokers offices.
iii. The introduction of the Exit Load along with the details shall 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.
iv. A public notice may 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 Fund is situated.
v. The Fund shall display the addendum on its website (www.reliancemutual.com / www.relianceetf.com).

E. WAIVER OF LOAD FOR DIRECT APPLICATIONS

As per SEBI Regulations, no Entry Load shall be charged for existing/prospective Investors of the Scheme.
IV. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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.

   NIL

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.

   During last three years, there have been no monetary penalties imposed and/or action by any financial regulatory body or governmental authority, against Sponsor(s), AMC, Board of Trustees, Trustee Company; for any 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. However, in respect of the consent terms filed by Reliance Nippon Life Asset Management Limited –Portfolio Management Services (RNAM-PMS) with SEBI with respect to an inspection report, SEBI has issued a settlement order (Order no. CA/EFD/87/JAN/2016 dated January 14, 2016), in terms of which the underlying proceedings have been disposed off.

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 was 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, 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.

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 there on 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. In addition to the above the AMC is party to certain litigations in various courts, commissions etc. which are in ordinary course of business & have no material impact.

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.

   This scheme was approved by the Trustees at the meeting held on January 29, 2003. This version of SID has been updated in line with the current Laws and SEBI Regulations.

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 NIPPON LIFE ASSET MANAGEMENT LIMITED
[Asset Management Company for Reliance Mutual Fund]
Sd/-

Mumbai
March 28, 2019

Executive Director & Chief Executive Officer
IV. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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For and behalf of the Board of Directors of

RELIANCE NIPпон LIFE ASSET MANAGEMENT LIMITED

[Asset Management Company for Reliance Mutual Fund]

Sd/-

Mumbai
March 28, 2019

Executive Director & Chief Executive Officer

Sundeep Sikka