

### NOTICE CUM ADDENDUM NO. 191

Notice is hereby given to the unitholders of the schemes of Reliance Mutual Fund ("RMF") that Nippon Life Insurance Company ("NLI") is proposing to acquire further 14% (fourteen per cent) of the issued, subscribed and paid-up equity share capital of Reliance Capital Asset Management Limited ("RCAM") in one or more tranche(s) from Reliance Capital Limited ("RCL") or through a combination of RCL and its wholly owned subsidiary, thereby increasing NLI's shareholding in RCAM to up to 49% (forty nine per cent), subject to the fulfillment of certain conditions precedent, including the receipt of necessary regulatory approvals ("the Acquisition").

Pursuant to the Acquisition: (a) NLI will become a co-sponsor of RMF; (b) there will be a change in the controlling interest of RCAM; and (c) further, subject to receiving necessary approvals, the name of RCAM will be changed.

Securities and Exchange Board of India ("SEBI"), vide its letter no. SEBI/HO/IMD/DF3/OW/P/2016/000006366/1 dated March 02, 2016, has already accorded its "No Objection" for the Acquisition.

#### Information about NLI

NLI is a mutual company incorporated and existing under the laws of Japan, having its registered office at 3-5-12, Imabashi, Chuo-ku, Osaka 541-8501, Japan and is regulated by the Financial Services Agency of Japan.

NLI is a 126 year old Global Fortune 500 company, and Japan's leading private life insurer with total assets of approximately JPY 62,648,600,000,000 (Japanese Yen Sixty Two Thousand Six Hundred Forty Eight Billion Six Hundred Million). During the financial year 2014-2015, NLI had earned a total ordinary income of approximately JPY 7,410,000,000,000 (Japanese Yen Seven Thousand Four Hundred Ten Billion) and net surplus of approximately JPY 308,000,000,000 (Japanese Yen Three Hundred and Eight Billion). As on 31 March 2015, NLI had (including individual insurance and individual annuities) 24,084,026 (Twenty Four Million Eighty Four Thousand and Twenty Six) policies in force, and offers a wide range of financial products, including individual and group life and annuity policies through various distribution channels, mainly using face-to-face sales channels for its traditional insurance products. It primarily operates in Japan, North America, Europe and Asia, and is headquartered in Osaka, Japan.

NLI conducts asset management operations in Asia, through its subsidiary Nissay Asset Management Corporation ("Nissay"), which manages assets globally worth about USD 72,300,000,000 (United States Dollars Seventy Two Billion Three Hundred Million) as of the end of March 2015 and Singapore-based investment advisory group Nippon Life Global Investors Singapore Limited.

NLI is an established player in North America. It has set up PanAgora Asset Management, Inc. a U.S. asset management firm specializing in quantitative investment techniques as a joint venture the leading U.S. firm Putnam Investments, LLC. NLI has also invested in Post Advisory Group, LLC, a U.S. asset management firm specializing in high-yield corporate bonds as a joint venture with Principal Global Investors, LLC.

The financial performance of NLI for the last 3 (Three) financial years has been as follows:

Particulars	Year (2014-2015) (JPY/Rs. Million)	Year (2013-2014) (JPY/Rs. Million)	Year (2012-2013) (JPY/Rs. Million)
Particulars Total Foundation Funds and Others*	JPY 1,750,605 (Rs. 902,373)	JPY 1,690,674 (Rs. 871,481)	JPY 1,601,228 (Rs. 825,375)
Total Ordinary Income	JPY 7,293,695 (Rs. 3,759,636)	JPY 6,714,089 (Rs. 3,460,870)	JPY 7,094,229 (Rs. 3,656,819)
Net Surplus	JPY 303,758 (Rs. 156,576)	JPY 284,416 (Rs. 146,606)	JPY 210,622 (Rs. 108,568)

Note : The amount in Rs. (Indian Rupee) is calculated based upon the telegraphic transfer middle (TTM) rate of the foreign exchange rate published by the Bank of Tokyo-Mitsubishi UFJ, Ltd. as on 31 March 2015, Rs. 1 = JPY 1.94

\*Total Foundation Funds and Others means the sum of foundation funds and the reserve for redemption of foundation funds, which are included in net assets on the balance sheets, and the contingency reserve and reserve for price fluctuations in investments in securities plus subordinated debt, which are included in liabilities on the balance sheets.

#### Expected benefits of the Acquisition

We believe that the proposed increase in stake by NLI in RCAM would further strengthen the already existing strategic alliance between these two conglomerates in the areas of international fund management capabilities, investment, risk management and compliance processes, expanding the global foot print to name a few. Since the year 2012, RCAM has already gained immensely from the global experience of NLI and its associates i.e. Nissay. It is expected that it would also further pave way for the increased Japanese investments finding its ways into the Indian financial markets. This strategic tie up will also ensure that the relevant employees of RCAM would get training and learnings from the best global practices followed by NLI.

#### Proposed changes pursuant to the Acquisition:

- NLI shall become a co-sponsor of RMF;
- NLI shall acquire, in the aggregate, further 14% (fourteen per cent) of the issued, subscribed and paid-up equity share capital of RCAM thereby increasing its shareholding in RCAM to up to 49% (forty nine per cent), and there will be a further change in the 'controlling interest' of RCAM, as contemplated under the Mutual Funds Regulations;
- RCL and NLI have decided to induct one more independent director on the Board of Directors of RCAM;
- The necessary amendments to trust deed dated April 25, 1995, as amended by the 1st Amendment dated April 10, 2000 and the 2nd Amendment dated January 29, 2004; and as amended and restated by the amended and restated deed of trust dated March 15, 2011 (collectively the "Trust Deed") will be carried out, by way of an execution of an amendment deed ("Deed of Amendment") between RCL (the settlor and the sponsor of RMF), Reliance Capital Trustee Co. Limited ("RCTC") and NLI, to admit NLI as a co-sponsor of RMF. A draft of the Deed of Amendment is enclosed as Exhibit A to the letter sent to unitholders ("Exit Option Letter");
- The name of the RCAM will be changed to "Reliance Nippon Life Asset Management Limited" or such other name as may be approved by the Registrar of Companies, Maharashtra at Mumbai. Consequent to the above changes, the corporate logo, corporate materials and documents may also undergo suitable changes to reflect the new name of RCAM.
- The Statement of Additional Information ("SAI"), the Scheme Information Documents ("SID"), the Key Information Memorandum ("KIM") and other relevant documents relating to the existing schemes of RMF shall also be appropriately amended and updated in accordance with the Mutual Fund Regulations, so as to reflect the relevant changes pursuant to the Acquisition.
- The schemes/plans of RMF will continue to be governed by the features/terms and conditions, as stipulated in the SAI and relevant SID/KIM of the schemes of RMF, and that there would be no change in any of the fundamental attributes governing the schemes/plans, as a result of the Acquisition.

We would like to clarify that pursuant to the Acquisition, there will not be any change in:

- the shareholding pattern of RCTC, the trustee for RMF;

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- the name of RCTC; and
- the name of RMF or that of its schemes.

Further, at any stage, the shareholding of RCL in RCAM shall not fall below 51% of the issued, subscribed and paid-up equity share capital of RCAM.

#### Approval for amendment of the Trust Deed

As provided in the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations"), the Trust Deed and Statement of Additional Information of RMF, no amendment to the Trust Deed shall be carried out without the prior approval of the unitholders of RMF (such approval may be obtained through postal ballot). As such, approval of all the unitholders of schemes of RMF, as per the records of M/s. Karvy Computershare Private Limited ("Registrar"), as at the close of business hours on March 02, 2016, is sought for amendment of the Trust Deed through postal ballot. M/s M Siroya and Company, has been appointed as Scrutinizer for scrutinising the conduct of postal ballot exercise in a fair and transparent manner. Details of postal ballot particularly the terms of voting, mode of voting, timelines for sending duly filled-in and signed ballot papers, manner of determining the results of postal ballot, etc. are mentioned in the Exit Option Letter. **You are requested to note that if the duly completed & signed Ballot Paper is not received by the Scrutinizer on or before close of business hours on March 23, 2016, the same shall not be considered for the purposes of determining the voting.** Further, unitholders to note that if no valid vote is received by the scrutinizer on or before close of business hours on March 23, 2016, then it will be deemed that none of the unitholders of the schemes of RMF have any objection to the proposed amendment of the Trust Deed and the said amendments would stand approved and be binding on the unitholders of all schemes of RMF.

#### Exit Option for Unitholders in Relation to Change in the Controlling Interest of RCAM Pursuant to the Acquisition

While the aforementioned changes will not affect the basic characteristic of the schemes of RMF nor constitute any change in fundamental attributes of the schemes including their investment objective, Regulation 22(e) of the MF Regulations requires that for a change in controlling interest of an asset management company, in this case RCAM, (i) a written communication about the proposed change be sent to each unitholder and an advertisement be placed in one English daily newspaper having nation wide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated; (ii) the unitholders be given an exit option at prevailing net asset value ("NAV") without any exit load for a period of 30 days. Accordingly, this Notice serves as a communication to the unitholders of the schemes of RMF about the change in controlling interest of RCAM pursuant to the Acquisition and each unitholder of RMF is hereby being provided an option to exit his/her/its investment in the scheme(s) of RMF at the applicable NAV without exit load, subject to the terms and conditions set out below:

Considering the aforementioned facts/information, and keeping in view the Acquisition:

- should you desire to discontinue holding the units in the schemes of RMF, an option is being hereby provided to you to exit from the schemes/plans of RMF (wherefore you have made an investment) at the applicable NAV without any exit load;
- you may exercise the above option anytime during a period of 30 (thirty) days, commencing from the opening business hours on March 09, 2016, till the closing business hours of April 07, 2016, by filling out the redemption slip provided in Exhibit B to the Exit Option Letter or by filling the transaction slips and submitting the same at the nearest investors service centre of RCAM or of the Registrar at the addresses mentioned in Exhibit C of the Exit Option Letter or to depository participant (in case of units held in electronic (demat) mode) on and in case of units held in electronic (demat) mode redemption request shall be submitted to depository participant on or before April 07, 2016;
- the aforesaid exit option will be available to all the investors of the schemes of RMF as on March 02, 2016. The redemption warrant/cheque will be mailed within 10 (Ten) working days from the date of receipt of the redemption request; and
- unitholders should ensure that any change in address or pay-out bank details required by them, are updated in the RMF's records before exercising the exit option in line with the timelines as mentioned in the SAI / SID / KIM.

You may also take note that this exit option will not be available to those unitholders in respect of such of their holdings in RMF, on which there is an outstanding pledge in favor of a third party and with respect to which RMF has been instructed to mark a lien thereon in favor of such third party. Such Unitholders will not have the option to exit unless they procure a release of their pledges prior to April 07, 2016 and such release is appropriately communicated to M/s. Karvy Computershare Private Limited (the Registrar) to its complete satisfaction, prior to applying for redemption. In case a lien is marked on the unit held by you or your units have been frozen /locked pursuant to an order of the government authority or court, redemption can be executed only after the lien/order is vacated/ revoked within the period specified above. The Unitholders are requested to update their bank account detail (if required) prior to make a redemption requests.

Please note that the exit option is not available to those Unitholders, whose investments have not completed the statutory lock-in period, as prescribed under Section 80C or such other similar provisions of the Income-tax Act, 1961. However, Unitholders who have completed the statutory lock-in period will be eligible to exercise the option to exit without being charged an exit load.

Tax Consequences: As regards investors who redeem their investment during the exit option period, the tax consequences as set forth in the SAI and SID of the relevant schemes of RMF would apply. In case of non-resident Indians, taxes, if any, at applicable rates will be withheld by RMF. You are requested to consult your financial/tax advisors to understand the tax implications (if any) on your investment in the schemes of RMF pursuant to the Acquisition. The impact of securities transaction tax, if any, arising out of the exit option exercised during the exit option period hereunder, shall be borne by RCAM.

In respect of the aforesaid change in the controlling interest, you may further take note that:

- in case you do not have any objection to the Acquisition, no action is required to be taken at your end;**
- in case you do not exercise the exit option in the manner and within the time frame specified above, you shall be deemed to have consented to the Acquisition occasioning the change in controlling interest; and**
- in case of redemptions consequent to the exercise of the said exit option, the tax consequences as set forth in the SAI /SID /KIM of the schemes of RMF shall apply.**

**THIS OPTION TO EXIT IS MERELY AN "OPTION" AND IS NOT COMPULSORY. WE WOULD LIKE OUR ESTEEMED UNITHOLDERS TO REMAIN INVESTED IN RMF.**

Further, a statement or unclaimed redemption and/or unclaimed dividend as on December 31, 2015, with respect to various schemes of RMF is enclosed as Exhibit E of the Exit Option Letter.

In case you have any unclaimed redemption or unclaimed dividend in respect of your investments in RMF, you are requested to claim the same by following the procedure stipulated in Exhibit F to the Exit Option Letter.

In case of any further clarification for the proposed arrangement or for processing the redemption requests the investor may contact / submit the transaction request at any of the Designated Investor Service Centres of the RMF or the Registrar and Transfer Agents of RMF viz. Karvy Computershare Private Limited

**FOR RELIANCE CAPITAL ASSET MANAGEMENT LIMITED**  
(Asset Management Company for RELIANCE MUTUAL FUND)

Sd/-  
Authorised Signatory

Mumbai  
March 06, 2016