

RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED

(CIN - L65910MH1995PLC220793)

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NOTICE CUM ADDENDUM NO. 56

Notice is hereby given to the unitholders of open ended as well as close ended schemes of Reliance Mutual Fund ("RMF") that Nippon Life Insurance Company ("NLI"), which currently holds around 42.88% of the total issued and paid up equity share capital of Reliance Nippon Life Asset Management Limited ("RNAM"), has entered into certain definitive agreements on May 23, 2019 with RNAM and Reliance Capital Limited ("RCL") and under the said agreements, NLI has agreed to acquire additional equity shares of RNAM from RCL ("Proposed Transaction"), such that on completion of the Proposed Transaction, NLI shall in the aggregate hold equity shares amounting to not more than 75% of the total issued and paid up equity share capital of RNAM. The Proposed Transaction will include an 'open / tender offer' by NLI to public shareholders of RNAM to comply with statutory requirements and may include 'offer for sale' by RCL in order to comply with the minimum public shareholding requirements.

Pursuant to the Proposed Transaction: (a) RCL is deemed to have ceased to be co-sponsor of RMF and NLI is deemed to have become the sole sponsor of RMF; (b) there will be a change in controlling interest of RNAM; and (c) necessary amendments to the amended and restated deed of trust dated 15 March 2011 entered between RCL and RCTC acting as the trustee of RMF and as amended on 14 July 2016 ("Trust Deed") will be appropriately carried out by way of an execution of an amended and restated trust deed ("Amended & Restated Trust Deed").

Securities and Exchange Board of India ("SEBI"), vide its letter Ref. No. SEBI/HO/IMD/DF5/OW/P/2019/20913/1 dated August 14, 2019, has already accorded its "No Objection" for the Proposed Transaction and SEBI vide its letter Ref. No. SEBI/HO/IMD/DF5/OW/P/2019/20912/1 dated August 14, 2019 has also accorded its approval to the proposed amendment to the RMF Trust Deed.

The Proposed Transaction and the amendment to Trust Deed has been duly approved by the board of directors of RNAM on May 23, 2019 respectively.

Information about NLI

NLI is a 126 year old Global Fortune 500 company, and Japan's leading private life insurer with total assets of approximately JPY 74,392,516,000,000 (Japanese Yen Seventy-Four Trillion Three-hundred-Ninety-Two Billion and Five-hundred-Sixteen Million). During the financial year 2018-19, NLI had earned a total ordinary income of approximately JPY 7,609,805,000,000 (Japanese Yen Seven Trillion Six-hundred-Nine Billion and Eight-hundred-Five Million) and net surplus of approximately JPY 246,542,000,000 (Japanese Yen Two-hundred-Forty-Six Billion and Five-hundred-Forty-Two Million). As on March 31, 2019, NLI had (including individual insurance and individual annuities) 9,652,044 (Nine Million Six-hundred-Fifty-Two Thousand and Forty-Four) 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 117,245,000,000 (United States Dollars One hundred-Seventeen Billion and Two-hundred-Forty five Million) as of the end of March 2019 and Singapore-based investment advisory group Nippon Life Global Investors Singapore Limited.

The Applicant 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. The Applicant 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.

NLI's Financial Performance in the Last Three Financial Years

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

Particulars	Year (2016-2017) (JPY/Rs. Million)*	Year (2017-2018) (JPY/Rs. Million)*	Year (2018-2019) (JPY/Rs. Million)*
Total Foundation Funds and Others**	JPY 1,931,441 (Rs. 1,199,652)	JPY 1,923,039 (Rs. 1,194,434)	JPY 1,975,782 (Rs. 1,227,193)
Total Ordinary Income	JPY 8,057,594 (Rs. 5,004,716)	JPY 7,301,817 (Rs. 4,535,290)	JPY 7,609,805 (Rs. 4,726,586)
Net Surplus	JPY 405,132 (Rs. 251,634)	JPY 308,288 (Rs. 191,483)	JPY 246,542 (Rs. 153,131)

*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 March 29, 2019, Rs. 1 = JPY 1.61

**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 Proposed Transaction

We believe that the proposed increase in stake by NLI in RNAM would strengthen RNAM's foothold in the areas of international fund management capabilities, investment, risk management and compliance processes, expanding its global foot print. Since the year 2012, RNAM 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 will also ensure that the employees of RNAM would get training and learnings from the best global practices followed by NLI.

Proposed changes pursuant to the Proposed Transaction

- (a) RCL is deemed to have ceased to be co-sponsor of RMF and NLI is deemed to have become the sole sponsor of RMF;
- (b) NLI shall acquire up to a maximum of 75% (seventy five per cent) of the issued subscribed and paid-up equity share capital of RNAM and there will be a change in the 'controlling interest' of RNAM, as contemplated under the SEBI (Mutual Funds) Regulations, 1996 (Mutual Funds Regulations);
- (c) the necessary amendments to the Trust Deed will be appropriately carried out, by way of an execution of an Amended & Restated Trust Deed between RCL, the trustee company of RMF i.e. RCTC and NLI, to remove RCL as the co-sponsor and state NLI as the sole sponsor of RMF. A draft of the Amended & Restated Trust Deed is enclosed as **Exhibit A** to the exit option letter ("**Exit Option Letter**");
- (d) the Statement of Additional Information ("**SAI**"), the Scheme Information Documents ("**SID**"), the Key Information Memorandums ("**KIM**") and other relevant documents relating to the existing schemes of RMF shall also be appropriately amended and updated (wherever applicable) in accordance with the Mutual Funds Regulations, so as to reflect the relevant changes pursuant to the Proposed Transaction;

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- (e) 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 Proposed Transaction.

Approval for amendment of the Trust Deed

As per the applicable provisions of the Mutual Funds Regulations read along with the relevant contents of the Trust Deed, the required amendments to the Trust Deed in respect of the Proposed Transaction shall be carried out with the prior approval of SEBI and that of the unitholders of the schemes of RMF ("**Unitholders**").

As such, approval of all the Unitholders, as per the records of M/s. Karvy Fintech Private Limited ("**Registrar**"), as at the close of business hours on August 16, 2019 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 September 09, 2019 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 September 09, 2019, then it will be deemed that none of the Unitholders have any objection to the proposed amendment of the Trust Deed and the said amendments would stand approved and be binding on the Unitholders.

Exit Option for Unitholders in relation to Change in the Controlling Interest of RNAM pursuant to the Proposed Transaction

Regulation 22(e) of the Mutual Funds Regulations requires that for a change in controlling interest of an asset management company, in this case RNAM, (i) a written communication about the proposed change be sent to each unitholder and an advertisement be placed in 1 (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 (thirty) days. Accordingly, this Notice serves as a communication to the Unitholders of the open ended as well as close ended schemes of RMF about the change in controlling interest of RNAM pursuant to the Proposed Transaction and each Unitholder 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 Proposed Transaction:

- (a) 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;
- (b) you may exercise the above option anytime during a period of 30 days, commencing from the opening business hours on August 26, 2019 till the closing business hours of September 24, 2019, by filling out the redemption slip provided in **Exhibit C** to the Exit Option Letter or by filling the transaction slips and submitting the same at the nearest investors service centre of RNAM or of the Registrar at the addresses mentioned in **Exhibit D** 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 September 24, 2019; and;
- (c) the aforesaid exit option will be available to all the investors of the open ended as well as close ended schemes of RMF as on August 16, 2019. The redemption warrant/cheque will be mailed within 10 working days from the date of receipt of the redemption request; and
- (d) 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 September 24, 2019 and such release is appropriately communicated to M/s. Karvy Fintech 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 Proposed Transaction. 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 RNAM.

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

- (a) in case you do not have any reservation in respect to the Proposed Transaction, no action is required to be taken at your end; and
- (b) 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.

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 Fintech Private Limited.

For RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED
(Asset Management Company for RELIANCE MUTUAL FUND)

Sd/-

Authorised Signatory

Mumbai
August 21, 2019