

Reliance Equity Hybrid Fund & Reliance Equity Savings Fund (Segregation of Portfolio)

23rd September 2019: Securities and Exchange Board of India vide circular number SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 permits Asset Management Companies to create segregated portfolio of debt and money market instruments of mutual fund schemes, in order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk.

Recent event

Coupon payments of certain Non-Convertible Debentures (NCDs) of Reliance Capital Limited (“RCL”) were due on September 09, 2019. The Debenture Trustee for these NCDs has informed CARE (via its email dated September 11, 2019) that RCL has delayed the payment of coupon on these NCDs by one working day and paid the same on September 11, 2019. This constitutes an event of default as per CARE’s default recognition policy.

Subsequently, rating agency CARE has downgraded long term rating of RCL to “D” (below investment grade) on 20th September 2019 (post business hours). We are recognizing the development as a credit event as on 23rd September 2019.

Reliance Nippon Life Asset Management Limited (“RNLAM”) has already sent individual written communication as well as released a notice advertisement in newspapers for enabling provision of segregated portfolio in the captioned schemes. Investors have been provided 30 days load free exit period to redeem from the schemes. The 30 days load free exit period will end on **24th September 2019**.

Trustees of Reliance Mutual Fund have approved the creation of segregated portfolio of securities of RCL held in Reliance Equity Hybrid Fund & Reliance Equity Savings Fund (“the schemes”) immediately after expiry of mandatory load free exit period of 30 days (**i.e. 25th September 2019**).

It may be noted that all ongoing subscriptions in the schemes had been suspended effective **23rd September 2019** till further notice. Moreover, no dividend will be declared during this period.

Details of securities which will form part of segregated portfolio in Reliance Equity Hybrid Fund & Reliance Equity Savings Fund as on September 22, 2019 are as follows:

Scheme Name	Security Name	Face Value (Rs. Crs.)	Total Market Value (Rs. Crs.)	Accrued Interest (Rs. Crs.)
Reliance Equity Hybrid Fund	8.85% Reliance Capital NCD RCL F Ser B	34.60	21.73	1.71
Reliance Equity Savings Fund	8.85% Reliance Capital NCD RCL F Ser B	95.70	60.11	4.74

RELIANCE

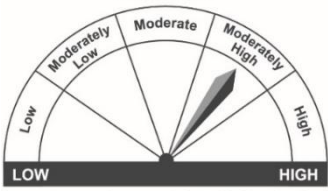
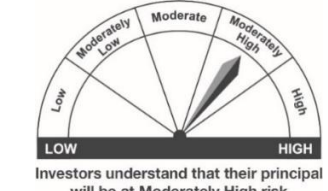
Wealth Sets You Free

**MUTUAL
FUND****NISSAY**Sponsors: Reliance Capital
Nippon Life Insurance Company

All existing investors in the schemes as on the day of the creation of segregated portfolio will be allotted equal number of units in the segregated portfolio as held in the main portfolio.

- No redemption and subscription will be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC will enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.
- However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.
- AMC will disclose separate NAVs of segregated and main portfolios from the date of creation of segregated portfolio.

Product Label

<p>Reliance Equity Savings Fund</p> <p>(An open ended scheme investing in equity, arbitrage and debt)</p>	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Income and capital appreciation over long term • Investment predominantly in arbitrage opportunities between cash and derivative market and in unhedged equity <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	<p style="text-align: center;">Riskometer</p>  <p style="text-align: center;">Investors understand that their principal will be at Moderately High risk</p>
<p>Reliance Equity Hybrid Fund</p> <p>(An open ended hybrid scheme investing predominantly in equity and equity related instruments)</p>	<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long term capital growth • Investment in equity and equity related instruments and fixed income instruments <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.</p>	<p style="text-align: center;">Riskometer</p>  <p style="text-align: center;">Investors understand that their principal will be at Moderately High risk</p>

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.