

**RELIANCE***Wealth Sets You Free***MUTUAL  
FUND****NISSAY**Sponsors: Reliance Capital  
Nippon Life Insurance Company**Press Release****Update on Reliance Equity Hybrid Fund & Reliance Equity Savings Fund**

**23<sup>rd</sup> 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 20<sup>th</sup> September 2019 (post business hours). We are recognizing the development as a credit event as on 23<sup>rd</sup> September 2019.

Reliance Nippon Life Asset Management Limited ("RNAM") 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 units from the schemes. The 30 days load free exit period will end on 24<sup>th</sup> September 2019.

In light of the credit event, RNAM proposes to create segregated portfolio of securities of RCL held in Reliance Equity Hybrid Fund & Reliance Equity Savings Fund ("the schemes") immediately after expiry of load free exit period of 30 days (i.e. 25<sup>th</sup> September 2019), subject to the approval from the Trustee of Reliance Mutual Fund.

Moreover, to protect the interest of investors, it is proposed to suspend all ongoing subscriptions in the schemes effective from **23<sup>rd</sup> September 2019** till further notice. Moreover, no dividend will be declared during this period.

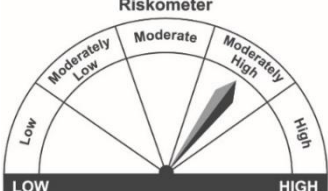
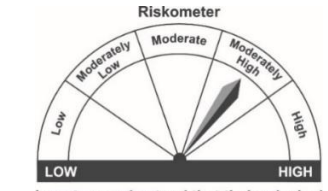
**Impact on the Investors**

- Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
- All investors in the schemes as on the day of creation of segregated portfolio shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- Upon recovery of money from the segregated portfolio, whether partial or full, it will be distributed to the investors in proportion to their holding in the 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.
- AMC will disclose separate NAVs of segregated and main portfolios from the date of creation of segregated portfolio.
- Once the segregated portfolio is created, no subscription and redemption will be allowed in the segregated portfolio of the captioned schemes.

**RELIANCE**

Wealth Sets You Free

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

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