

Reliance Small Cap Fund

Reliance Mutual Fund has launched an open-ended equity fund, **Reliance Small Cap Fund**. The fund aims at maximizing returns by taking aggressive bets primarily in Small cap stocks which have high growth potentials.

Investment Rationale

Entrepreneurial Passion –

- ⇒ In today's economic scenario, there are many entrepreneurs who are coming out with newer ideas and innovative business models.
- ⇒ Emerging India is offering various growth opportunities to entrepreneurs, be it first generation entrepreneur or otherwise.
- ⇒ Multiple sources of fund raising at various stage of business have been of tremendous help.
- ⇒ Competitive talent is being attracted & retained by rewarding performance linked incentives, ESOPs, etc.

Emerging Sectoral Opportunities -

- ⇒ In developing economy like India, there are growth opportunities across sectors for the companies.
- ⇒ Once established and successful, scaling up can be rapid.
- ⇒ Thus, emerging companies are true reflection of entrepreneurial spirit, new opportunities and creation of global behemoths.

About the fund

- The Fund endeavors to maximize returns and minimize risks by reasonable diversification, primary focus would be on small cap stocks.
 - Investments in Equities of Small cap companies : 65% to 100%
 - Investment in equities of any other companies : 0% to 35%
 - Investment in Debt & Money Market Instruments: 0% to 35%.
- Small cap stocks for the purpose of the fund are defined as stocks whose market capitalization is in between the highest and lowest market capitalizations of companies on BSE Small Cap Index.
- Investments into the stocks would be from a long term perspective and investors in the fund are expected to hold it for a minimum of 2 years, which is why there is an exit load in the fund upto 2 years.
- The fund will follow a bottom-up strategy in selecting the stocks.
- The fund house has in-depth research capabilities which empowers the fund manager to identify high potential stocks and manage the risk associated with it.

Why Small Caps?

- Select Small Caps are potential large caps of tomorrow because of their twin benefits of high growth prospects and relatively undervaluation.
- Small Caps are relatively under researched, under owned and under valued as compared to large caps, thus providing an opportunity to be re-rated.
- With presence in all emerging sectors of India, small caps have the ability to become multi-baggers which are a true reflection of entrepreneurial spirit, new opportunities and creation of global bemoths.

Fund Manager

- ⇒ The fund will be managed by Mr. Sunil Singhania. Sunil is a B.Com., CFA and FCA by qualification and has a total experience of over 16 years in capital markets. He is also managing other funds like Reliance Banking Fund, Reliance Diversified Power Sector Fund, Reliance Growth, Reliance Infrastructure, etc.

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Investment Objective

⇒ The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of small cap companies and the secondary objective is to generate consistent returns by investing in debt and money market securities.

Scheme Features

Asset Allocation Pattern:

Equity and Equity related instruments of Small cap companies including derivatives : 65% to 100%
 Equity and Equity related instruments of any other companies including derivatives : 0% to 35%
 Debt & Money Market Instruments*: 0% to 35%

*including securitized debt upto 30%.

Load Details:

Entry Load: Nil

Exit Load: 2% if redeemed or switched out on or before completion of 12 months, 1% if redeemed or switched out on or before completion of 24 months. Nil after that.

Benchmark Index: BSE Small Cap Index

Investment Options:

Growth: Growth & Bonus option
 Dividend (Payout & Reinvestment)

Minimum Application Amount: Rs. 5000 in multiples of Re. 1 thereafter.

Performance of the existing schemes as on 23rd Aug'10

Scheme Name	3 Mths	6 Mths	1 Year	3 Years	Since Inception
Reliance Banking Fund - Growth	24.67	43.27	65.24	31.31	37.96
Reliance Diversified Power Sector Fund - Growth	11.72	15.45	25.80	23.12	40.49
Reliance Growth - Growth	13.46	19.60	39.37	19.42	29.90
Reliance Infrastructure Fund - Ret - Growth	10.91	10.76	16.02	--	16.80
Indices					
BSE100	12.52	14.08	23.84	10.84	
CNX Bank Nifty	21.45	30.34	50.07	22.11	

NFO Opens on August 26, 2010

NFO Closes on September 9, 2010

Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the NAV of the units issued under the Scheme may go up or down depending on the various factors and forces affecting capital markets and money markets. Past performance of the Sponsors / Investment Manager / Mutual Fund does not indicate the future performance of the Scheme and may not necessarily provide a basis of comparison with other investments. Reliance Small Cap Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects or returns. Investment objective: To generate long term capital appreciation by investing predominantly in equity and equity related instruments of small cap companies and the secondary objective is to generate consistent returns by investing in debt and money market securities. Asset allocation: Equity & equity related instruments of small cap companies including derivatives=65-100%, equity & equity related instruments of any other companies including derivatives=0% to 35% and Debt and Money market instruments=0-35% including securitized debt up to 30%. Scheme Specific Risk Factors: Investments in the scheme shall be subject to various other risk factors including but not limited to risks associated with: investment in Equity and Equity related instruments, investment in Derivatives, investment in Debt Securities, investments in Securitised Debt Assets, short selling etc. For further Scheme Specific Risk Factors & other details Investors should read the Statement of additional Information/Scheme Information Document/Key Information Memorandum available at Investor Service Centres and with Distributors carefully before investing.

This fund is available for investment through our [Online Investment Services Account](#).

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