

RELIANCE Mutual Fund

Anil Dhirubhai Ambani Group

Corporate Office: Express Building, 4th & 6th Floor, 14 -'E' - Road, Churchgate,
Mumbai – 400 020 Tel: 022 – 3041 4800 Fax: 022 – 3041 4899

ADDENDUM TO THE OFFER DOCUMENT OF RELIANCE GROWTH FUND, RELIANCE VISION FUND, RELIANCE EQUITY OPPORTUNITIES FUND, RELIANCE EQUITY FUND, RELIANCE EQUITY ADVANTAGE FUND, RELIANCE REGULAR SAVINGS FUND, RELIANCE BANKING FUND, RELIANCE PHARMA FUND, RELIANCE MEDIA & ENTERTAINMENT FUND AND RELIANCE DIVERSIFIED POWER SECTOR FUND

With a view to encourage individual investors to save and invest regularly through Systematic Investment Plan (SIP) and help the investors to achieve their financial objective, it has been decided to provide an add-on feature of life insurance cover under a Group Term Insurance to individual investors opting for an add-on feature to be called as 'Reliance SIP Insure', without any extra cost to the investors. (The cost of the insurance premia will be borne by the AMC)

The objective of 'Reliance SIP Insure' is that, in the unfortunate event of death of an investor before completing the opted SIP tenure, the balance amount towards the SIP instalments remaining unpaid shall be made good from the life insurance cover and the nominee would be able to continue in the scheme without having to make any further contribution, so that investor's long term financial planning and objective of investing through SIP could still be fulfilled as per the targeted time horizon, even if he dies prematurely.

The 'Reliance SIP Insure' feature will be available under the following schemes /plans of Reliance Mutual Fund (RMF) and shall come into effect for SIP enrollments registered w.e.f May 12, 2008:

- Reliance Growth Fund - Retail Plan
- Reliance Vision Fund - Retail Plan
- Reliance Equity Opportunities Fund - Retail Plan
- Reliance Equity Fund - Retail Plan
- Reliance Equity Advantage Fund- Retail Plan
- Reliance Regular Savings Fund – Equity option
- Reliance Regular Savings Fund – Balanced option
- Reliance Banking Fund
- Reliance Pharma Fund
- Reliance Media & Entertainment Fund
- Reliance Diversified Power Sector Fund – Retail Plan

Accordingly, the following text shall be added in the section “Units & Offer” after the existing paragraph on Systematic Investment Plan:

'Reliance SIP Insure'

Individual investors choosing to invest under SIP may opt for 'Reliance SIP Insure', **an optional**, add-on feature, wherein life insurance cover would be provided without any extra cost to the investors under a Group Term Insurance wherein, upon pre-mature death of an SIP investor, i.e., before completing the opted SIP tenure, the balance unpaid SIP installments, subject to a maximum of Rs.10 lakhs, will be paid by the insurance cover and the invested in the chosen scheme subject to the following conditions :

Eligibility

- All individual investors enrolling for investments via SIP AND opting for 'Reliance SIP Insure'
- Only individual investors whose completed age at entry is greater than 20 years and less than 46 years.

- In case of multiple holders in the any scheme, only the first unit holder will be eligible for the insurance cover.

Minimum Investment per instalment : Rs.2000 per month. There is no upper limit

Minimum Period of Contribution : 3 years and in multiples of 1 year thereafter.

Maximum Period of Contribution : 15 years OR till attaining 55 years of age, whichever is earlier (e.g., a person can register an SIP of maximum 10 yrs at the age of 45 yrs.) The insurance cover ceases when the investor becomes 55 years of age.

Amount of Life Insurance Cover Available : An amount equivalent to the aggregate balance of unpaid SIP installments, subject to a maximum of Rs.10 lakhs per investor across all schemes / plans and folios, which will be invested in the Nominee's account, in the same scheme/s under which the deceased investor has enrolled for SIP at the applicable price based on the closing NAV on the date on which the cheque for insurance claim settlement is received by the AMC from the insurance company, subject to completion of requisite procedure for transmission of units in favour of the nominee.

Note ;

1. If the aggregate total of SIP installments remaining unpaid under all schemes is less than or equal to Rs. 10 Lakhs, then the life insurance cover shall be equal to the actual unpaid balance in the respective schemes.
2. If the aggregate total of SIP installments remaining unpaid under all schemes is greater than Rs. 10 Lakhs & all the SIPs start on the same date, then the life insurance cover shall be equal to Rs. 10 Lakhs, which shall be allocated / invested proportionately in the respective scheme folios.

Illustration:

If an investor, who has registered under "Reliance SIP Insure" @ Rs.10,000 per month per scheme for 5 years in five different schemes, dies after a period of 3 years, then the aggregate insurance cover will be equal to Rs.10 lakhs i.e., Rs. 2 Lakhs per scheme (even though the unpaid SIP installments under individual schemes is Rs.12 Lakhs i.e .2,40,000 per scheme) which will be paid by life insurance company, which will be invested in the deceased investor's 'Nominee Account' by RMF proportionately (i.e., Rs.2 lakhs under each scheme in this case, as there are five different schemes) at the applicable price based on the closing NAV on the date on which the cheque for insurance claim settlement is received by the AMC from the insurance company

3. If the aggregate total of SIP installments remaining unpaid under all schemes is greater than Rs. 10 Lakhs & all the SIPs start on the different dates, then the life insurance cover shall be equal to Rs. 10 Lakhs, which shall be allocated / invested on First in First out basis in the respective scheme folios.

Illustration:

Suppose an investor registers under "Reliance SIP Insure" in February 2008 @ Rs. 15,000 p.m under Reliance Growth Fund (RGF) for 48 months; in February 2009 @ Rs. 5,000 p.m. under Reliance Vision Fund (RVF) for 120 months; in February 2010 @ Rs 5,000 p.m. under Reliance Equity Fund (REF) for 120 months. If the investor dies in Feb 2011 then his unpaid SIP balance would be Rs. 1.8 lacs in RGF (15,000 X 12 mths), Rs. 4.80 lacs in RVF (5000 X 96 mths) & Rs. 5.40 lacs in REF (5000 X 108 mths) aggregating to Rs 12 lacs. In this case, his actual cover will be limited to Rs 10 lacs, which will be invested on a First-In-First-Out (FIFO) in the respective schemes (ie Rs 1.8 lacs in RGF, Rs 4.80 lacs in RVF & balance Rs 3.40 lacs in REF in the above illustration.)

Commencement of Insurance Cover: The Insurance cover shall commence after “waiting period” of 90 days from the commencement of SIP installments. However the waiting period will not be applicable in respect of accidental deaths.

Cessation of Insurance Cover:

The insurance cover shall cease upon occurrence of any of the following:

- At the end of mandated Reliance SIP Insure tenure, i.e., upon completion of payment of all the monthly installments as registered.
- Discontinuation of SIP installments midway by the investor i.e., before completing the opted SIP tenure /installments.
- Redemption / switch-out of units purchased under Reliance SIP Insure before completion of the mandated SIP tenure / installments
- In case of default in payment of two consecutive monthly SIP installments or four separate occasions of such defaults during the tenure of the SIP duration chosen.

Note -There is no provision for revival of insurance cover, once the insurance cover ceases as stated above

Exclusions for Insurance cover

No insurance cover shall be admissible in respect of death of the SIP-Insure unitholder (the insured person) on account of -

- Death due to suicide
- Death within 90 days from the commencement of SIP installments except for death due to accident.
- Death due to pre-existing illness, disease(s) or accident which has occurred prior to the start of cover.

LOAD STRUCTURE:

The Entry Load under Reliance SIP Insure shall be same as applicable to normal purchase /additional purchase transactions. However, there will an **Exit Load of 2%**, if the accumulated units acquired or allotted under Reliance SIP Insure are redeemed or switched out to another scheme before the maturity of SIP tenure as opted in the respective scheme either by the SIP-Insure unitholder or by the nominee, as the case may be.

Note :

In the event of the death of the unitholder, if the Nominee chooses to redeem the outstanding balance of units before completing the opted SIP tenure the repurchase of units shall be subject an exit load of 2%

However, if the units are redeemed on completing the opted SIP tenure, there will not be any exit load in the respective scheme.

The insurance cover for the above schemes is being arranged by the AMC through “Reliance Group Term Insurance Scheme” of Reliance Life Insurance Company Limited. The cost of the insurance premia shall be borne by the AMC.

Grant of insurance cover is discretionary on part of life insurance company (as there is no pre-medical test) and the cover is subject to non-medical underwriting in the form of self-declaration of health by the insured person.

Mode of payment of SIP installments is only through Direct Debit & ECS (Post Dated Cheques shall not be accepted)

All the other terms and conditions of the respective offer documents will remain unchanged. This addendum forms an integral part of the Offer Document/ Key Information Memorandum issued for the respective schemes read with the Addenda.

For and on behalf of Reliance Capital Asset Management Limited
(Asset Management Company for RELIANCE MUTUAL FUND)

Place: Mumbai
Date: May 8, 2008

Sd/-
Authorised Signatory

Free life insurance cover provided as a part of an add on feature called as 'Reliance SIP Insure' arranged and funded by Reliance Capital Asset Management Limited through "Reliance Group Term Insurance Scheme" of Reliance Life Insurance Company Limited for insuring the outstanding SIP Insure installments. In the event of any adverse declaration in the Personal Statement of Health, the insurer reserves the right to call for further evidence of health and insurability. Subject to Conditions

SIP is also available without insurance cover.

Sponsor: Reliance Capital Limited **Trustee:** Reliance Capital Trustee Co. Limited **Investment Manager:** Reliance Capital Asset Management Limited. **Statutory Details:** The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956. **Risk Factors:** **Reliance Growth Fund (Open-ended Equity Growth Scheme):** The primary investment objective of the scheme is to achieve long term growth of capital by investing in equity and equity related securities through a research based investment approach. **Reliance Vision Fund (Open-ended Equity Growth Scheme):** The primary investment objective of the scheme is to achieve long-term growth of capital by investment in equity and equity related securities through a research based investment approach. **Reliance Equity Opportunities Fund (Open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities. **Reliance Equity Fund (An open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities of top 100 companies by market capitalization & of companies which are available in the derivatives segment from time to time and the secondary objective is to generate consistent returns by investing in debt and money market securities. **Reliance Equity Advantage Fund (Open ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio predominately of equity & equity related instruments with investments generally in S & P CNX Nifty stocks and the secondary objective is to generate consistent returns by investing in debt and money market securities. **Reliance Regular Savings Fund (An open ended Scheme) Equity Option:** The primary investment objective of this Option is to seek capital appreciation and/or to generate consistent returns by actively investing in equity / equity related securities. **Balanced Option:** The primary investment objective of this Option is to generate consistent return by investing a major portion in debt & money market securities & a small portion in equity & equity related instruments. **Reliance Pharma Fund (Open-ended Pharma Sector Scheme):** The primary investment objective of the scheme is to seek to generate continuous returns by investing in equity and equity related or fixed income securities of Pharma and other associated companies. **Reliance Diversified Power Sector Fund (Open-ended Power Sector Scheme):** The primary investment objective of the scheme is to seek to generate continuous returns by actively investing in equity and equity related or fixed income securities of Power and other associated companies. **Reliance Media & Entertainment Fund (Open-ended Media & Entertainment Sector Scheme):** The primary investment objective of the scheme is to generate continuous returns by investing in equity and equity related or fixed income securities of Media & Entertainment and other associated companies. **Reliance Banking Fund (Open-ended Banking**

Sector Scheme): The primary investment objective of the scheme is to generate continuous returns by actively investing in equity and equity related or fixed income securities of Banks. Mutual Funds and securities investments are subject to market risks and there is no assurance and no guarantee that the Schemes objectives will be achieved. As with investments in any securities, the NAVs of the units issued under the Scheme can go up or down depending on the factors and forces affecting the securities market. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of future performance of the Scheme. Reliance Growth Fund, Reliance Vision Fund, Reliance Equity Opportunities Fund, Reliance Equity Fund, Reliance Equity Advantage Fund and Reliance Regular Savings Fund are only the names of the scheme and do not in any manner indicate either the quality of the Scheme, its future prospects or returns. The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond their initial contribution of Rs.1 lac towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. The NAV of the Schemes may be affected, interalia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The Mutual Fund is not guaranteeing or assuring any dividends/ bonus. The Mutual Fund is also not assuring that it will make periodical dividend/ bonus distributions, though it has every intention of doing so. All dividend/ bonus distributions are subject to the availability of distributable surplus in the respective Scheme. For details of scheme features and scheme specific risk factors please refer to the scheme Offer Documents. Offer Document and KIM cum application form is available at all the DISCs/ Distributors of RMF/www.reliancemutual.com. **Please read the offer document of the respective scheme carefully before investing.**

