

Don't miss this time!

Invest in 10 Maharatnas & Navratnas at 5% discount!

Upfront FFO Discount of 5% on the "FFO Reference Market Price"^{**} to the underlying Nifty CPSE Index shares

For Anchor Investors, offer opens & closes on 17th January 2017

For Non Anchor Investors, offer opens on 18th January & closes on 20th January 2017

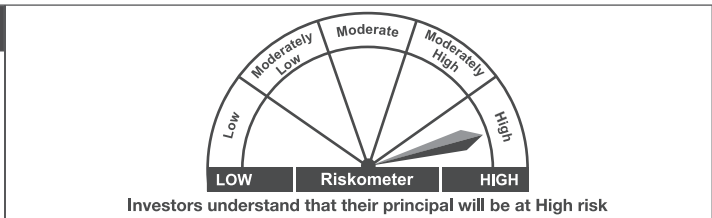
^{*}Price determined based on the average of the full day volume weighted average price (VWAP) of the constituents of the Nifty CPSE Index on the NSE during the Non Anchor Investor FFO Period (inclusive of Non Anchor Investor FFO Period open as well as close date).

**CPSE ETF Managed by Reliance Nippon Life Asset Management Limited
(formerly Reliance Capital Asset Management Limited)
(An Open-ended Index Exchange Traded Scheme)
(Rajiv Gandhi Equity Savings Scheme (RGESS) Qualified Scheme)**

This product is suitable for investors who are seeking*

- Long-term capital appreciation
- Investment in Securities covered by the Nifty CPSE Index

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



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

CPSE ETF Further Fund Offer (FFO)

Offer of Units of Rs. 10/- each (i.e. face value) for cash (on allotment, the value of each Unit would be approximately 1/100th of the value of Nifty CPSE Index) to be issued at a premium, if any, approximately equal to the difference between face value and FFO Allotment Price during the Further Fund Offer ("FFO") and at NAV based prices thereafter. For the existing CPSE ETF the Ongoing Offer Period for the Scheme commenced on April 04, 2014.

CPSE ETF is an open ended index scheme listed on the Exchange in the form of an Exchange Traded Fund (ETF), which tracks the Nifty CPSE Index.

About Nifty CPSE Index

The Nifty CPSE Index is constructed in order to facilitate the Government of India's (GOI) initiative to disinvest some of its stake in selected Central Public Sector Enterprises (CPSEs) through the ETF route. The index consist of 10 CPSEs with base date of 01- Jan- 2009.

As on Dec 30, 2016 the one year CAGR[^] return of Nifty CPSE TRI* is **17.45%** against **4.39%** given by Nifty 50 TRI*.

Past performance may or may not be sustained in the future.

[^]CAGR - Compounded Annual Growth Rate

*TRI - Total Returns Index reflects the returns on the index arising from (a) constituent stock price movements and (b) dividend receipts from constituent index stocks. Period – Dec 31, 2015 to Dec 30, 2016

Background:

- ▶ Government of India (GOI) used innovative route to divest its holding in CPSEs via ETF
- ▶ New Fund Offer (NFO) was first launched in March 2014
- ▶ NFO received overwhelming response; NFO collection was Rs.4,363 Crs, out of which Rs.1,363 Crs was refund to investors due to limited issue size of Rs.3,000 Crs
- ▶ Participation across various categories of investors
- ▶ Units of CPSE ETF were listed on 04th April 2014 on NSE & BSE

FFO Investment Rationale:

- ▶ Play on India growth story through investment in the large CPSE stocks at attractive valuations
- ▶ Portfolio diversification through investment in blue-chip Maharatna and Navaratna CPSE stocks which are sector leaders
- ▶ FFO price advantage – Upfront discount to all categories of investors
- ▶ Attractive Valuation and Dividend Yields: P/E ratio and dividend yields better compared to broader market index
- ▶ Flexibility of trading on real time basis
- ▶ Lower expense ratios and transaction costs
- ▶ Investors will be able to diversify exposure across a number of Public Sector companies through a single instrument

Attractive Valuation:

Attractive Valuation and Superior Dividend Yield – Compared to Other Broader Indices

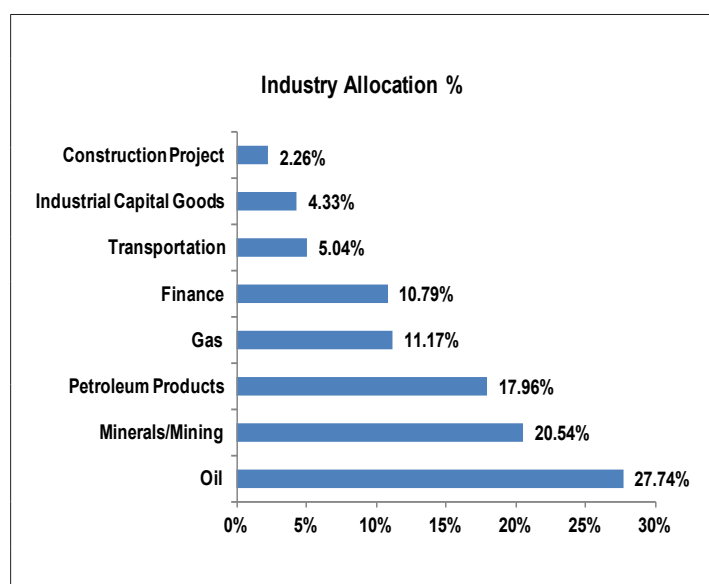
Index Name	P/E Ratio	P/B Ratio	Dividend Yield (%)
Nifty CPSE	11.44	2.00	4.07
Nifty 50	21.93	3.10	1.35
Nifty Next 50	25.14	3.29	1.69
Nifty 100	22.4	3.13	1.4
Nifty 500	25.3	2.82	1.32

Source: NSE. Data as of 30th Dec 2016

Note :The stock composition of all the above indices are different

Portfolio Constituents & Industry Allocation:

Portfolio as on December 31, 2016			
No.	Company Name	Industry	Weightage (%)
1	Oil & Natural Gas Corporation Limited	Oil	24.35
2	Coal India Limited	Minerals/ Mining	20.54
3	Indian Oil Corporation Limited	Petroleum Products	17.96
4	GAIL (India) Limited	Gas	11.17
5	Power Finance Corporation Limited	Finance	5.58
6	Rural Electrification Corporation Limited	Finance	5.21
7	Container Corporation of India Limited	Transportation	5.04
8	Bharat Electronics Limited	Industrial Capital Goods	4.33
9	Oil India Limited	Oil	3.39
10	Engineers India Limited	Construction Project	2.26



Source: RMF Website.

Further Fund Offer (FFO) Details:

Scheme Features	For Anchor Investors	For Non Anchor Investors	
FFO Opens on	January 17, 2017	January 18, 2017	
FFO Closes on	January 17, 2017	January 20, 2017	
Benchmark Index	Nifty CPSE Index		
Pricing	1/100th of Nifty CPSE Index		
Fund Manager	Payal Kaipunjil		
Load Structure	Entry & Exit Load : NIL*		
Category of Investors# (during FFO)	<ul style="list-style-type: none"> Retail Individual Investor Qualified Institutional Buyers or QIB Non Institutional Investors Anchor Investors 		
Minimum application amount @ (during FFO)	Retail Individual Investor: Minimum amount of ₹ 5,000 and in multiples of ₹ 1 thereafter	Non Institutional Investors / QIB Minimum amount of ₹ 2,00,001/- and in multiples of ₹ 1/- thereafter	For Anchor Investor: Minimum amount of ₹10 Crores and in multiples of ₹ 1 thereafter
Minimum application amount (during ongoing offer period) (Ongoing Offer commenced on April 04, 2014)	Directly with the Mutual Fund: Create / Redeem in exchange of Portfolio Deposit and cash component in Creation Unit Size of 1 lakh units of the Scheme.		On the Exchange: 1 (one) Unit and in multiples thereof.
Plans	Growth		
Listing	FFO Units offered pursuant to the FFO, listed on NSE and BSE on or before February 10, 2017. However Units of the existing CPSE ETF Scheme were listed on 04th April 2014 on NSE & BSE.		
Maximum Amount to be Raised during FFO [^]	₹ 6,000 crores		
Discount Offered by GOI**	Discount of 5 (five)% on the "FFO Reference Market Price" of the underlying shares of Nifty CPSE Index shall be offered to FFO by GOI.		

Notes:

***Payment of Transaction Charges** – For applications received during the FFO Period, the AMC/ Mutual Fund may deduct transaction charges of ₹ 150 (Rupees One Hundred and Fifty) (for first time investors across mutual funds) or ₹ 100 (Rupees One Hundred) (for existing investors across mutual funds) from the Subscription amount, which would be paid to the empanelled AMFI registered Distributor / agent of the Investor (in case the empanelled AMFI registered Distributor / agent has "opted in" to receive the transaction charge for this type of product) and the balance amount shall be invested in the Scheme. Please refer to Section IV (C) (Transaction Charges) of the Supplement to SID for further details.

Retail Individual Investors: Individual Investors (including HUFs applying through their Karta's and NRIs) who have applied for FFO Units for an amount not exceeding ₹ 2,00,000 (Rupees Two lakhs). **Non Institutional Investor:** All investors who are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for the Units for an amount more than ₹ 2,00,000 (Rupees Two Lakhs). **Qualified Institutional Buyers:** Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. **Anchor Investor - A Qualified Institutional Buyers,** applying under the Anchor Investor Portion, with a minimum application amount of ₹ 10 Crores (Rupees Ten Crores). Refer to Multiple Applications by Same Investor under Section III (A) of Supplement to SID.

@Anchor Investor Portion: The portion not exceeding 30% of the Maximum Amount to be Raised (if any) shall be available for allocation to Anchor Investors on a proportionate basis.

In case of under Subscription in this category, the under subscribed portion will be available for spill-over from the Retail Individual Investor Portion at the discretion of the AMC. If even after the spill-over from the Retail Individual Investor Portion, the Anchor Investor Portion remains under subscribed, then the balance shall be met by spillover from the Qualified Institutional Buyers & Non Institutional Investor Portion. But any under-Subscription in the Retail Individual Investor Portion and Qualified Institutional Buyers & Non Institutional Investor Portion will not be allowed to be met by any spill-over from the Anchor Investor Portion.

Retail Individual Investor Portion: At least 70% of the Maximum Amount to be Raised (if any) plus any under subscribed portion of Anchor Investor, shall be available for allocation to Retail Individual Investors on a proportionate basis in the manner set out in the Supplement at the discretion of the AMC.

In case of under Subscription in this category, the under subscribed portion of this category as well as Anchor Investor category will be available for allocation to Qualified Institutional Buyers & Non Institutional Investor Portion at the discretion of the AMC.

Qualified Institutional Buyers & Non Institutional Investor Portion: Upto 100% of the residuary portion available (if any) from Maximum Amount to be Raised (if any) following any under-subscription of the Retail Individual Investor Portion (which includes any under-subscription of the Anchor Investor Portion) shall be available for allocation to Qualified Institutional Buyers and Non Institutional Investors on a proportionate basis in the manner set out in the Supplement.

Allocation will be made to this category only to the extent of any under subscription in the Retail Individual Investor Portion which would also include any under subscription of Anchor Investor portion. If Retail Individual Investor Portion is oversubscribed, then no allocation will be made to Qualified Institutional Buyers and Non Institutional Investors.

Under this category, the allocation will be first made to provident funds / superannuation funds / gratuity funds / pension funds who have applied under QIBs on a proportionate basis in the manner set out in the Supplement at the discretion of the AMC & residuary portion available (if any) post allocation to provident funds / superannuation funds / gratuity funds / pension funds will be available for allocation to Qualified Institutional Buyers (other than provident funds / superannuation funds / gratuity funds / pension funds) and Non Institutional Investors on a proportionate basis in the manner set out in the Supplement at the discretion of the AMC.

[^]Maximum Amount to be Raised (if any):

₹ 6,000 Crores [(“Initial Amount” – ₹ 4,500 Crores plus “Additional Amount” – ₹ 1,500 Crores which is in addition to the stated “Initial Amount”) (“Initial Amount” plus “Additional Amount” to be collectively called as “Maximum Amount to be Raised”)]

Please note in accordance with the instructions of the GOI, the AMC may choose not to offer entire Additional Amount or part of the Additional Amount to investors for subscription through FFO, even though the subscriptions received from all the categories of investors to subscribe FFO units would be over and above the Initial Amount or even the Maximum Amount to be Raised as stated above. For more details refer supplement to SID.

**Discount Offered by GOI:

Discount of 5 (five)% on the “FFO Reference Market Price” of the underlying shares of Nifty CPSE Index shall be offered to FFO by GOI.

FFO Reference Market Price: The price determined based on the average of full day volume weighted average price (VWAP) on the NSE during the Non Anchor Investor FFO Period (inclusive of Non Anchor Investor FFO Period open as well as close date) for each of the index constituents of the Nifty CPSE Index.

Note - Discount on the ‘FFO Reference Market Price’ may not be a discount to the closing market price of the underlying shares of Nifty CPSE Index on the FFO Allotment Date.

•FFO Units will rank pari-passu to the existing Units of the CPSE ETF

Disclaimers

Scheme Specific Risk Factors: Risk relating to CPSE Securities - Since the CPSE companies are substantially owned by the GOI, the GOI may take actions with respect to the CPSE sector that may not be in the best interests of Unit holders. There can be no assurance that such incidents would not result in a fall in price of the underlying securities constituting the Nifty CPSE Index and correspondingly the NAV of the Scheme. Further trading volumes and settlement periods may restrict liquidity in equity and debt investments. Investment in Debt is subject to price, credit, and interest rate risk. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The NAV may also be subjected to risk associated with tracking error, investment in derivatives or script lending as may be permissible by the Scheme Information Document (SID). For further details please refer SID

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