RELIANCE Mutual Fund
Anil Dhirubhai Ambani Group

Reliance Vision Fund

An Open Ended Equity Growth Scheme

Being one of the Flagship Schemes of Reliance Mutual Fund**, Reliance Vision Fund** aims to achieve long term capital appreciation through investment in high quality large size capitalization stocks with a small exposure in mid-size capitalization companies.

The fund is ideal for those investors who are seeking a higher exposure to liquid large-cap stocks for capital appreciation & growth and considerably lower exposure to debt markets for consistent returns.

The astute selection and diversified exposure to sectors and stocks at appropriate levels has assisted the fund to outperform its Benchmark in almost all type of market cycles. Long term investment in form of SIP (Systematic Investment Plan) has also paid off good returns to the investors.

Performance Overview

Performance as on 30.09.09									
	Absolute Returns				Compounded Annualized Returns (%)				
	1 Month	2 Months	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	Since Inception
Reliance Vision Fund - Growth	9.28	13.56	21.17	80.14	41.90	0.52	13.96	28.17	25.42
BSE 100	7.31	10.87	17.95	83.71	33.46	-0.21	12.14	24.38	12.88

Past performance may or may not be sustained in future.
Returns for Retail Plan- Growth Option (Inception Date: 8th October, 1995).
Returns for less than one year are absolute returns.
Returns of and more than one year are compounded annualized returns.
Calculations assume that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

Long Term Investment Pays Irrespective Of Timing

SIP Return as on Sep 30, 2009				
Period	1 Year	3 Year	5 Year	Since inception
SIP Start Date	01/10/2008	01/10/2006	01/10/2004	08/10/1995
Current NAV (As on 30/09/2009)	237.74	237.74	237.74	237.74
Total No. of units accumulated	76.78	197.44	425.00	7092.30
Total Amount Invested	12000.00	36000	60000	168000
Present Value	18252.98	46941.12	101041.10	1686157.89
Yield	115.32%	18.32%	21.17%	29.45%
Present Value if invested in Index	18300.81	46150.05	96505.98	643200.15
Yield From Index	116.30%	17.09%	19.26%	17.58%

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Returns for less than one year are absolute returns.
Returns of and more than one year are compounded annualized returns.
Calculations assume that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.
Assumptions:

a) Every SIP has an entry load: till October 2004 -2% and from November 2004 – 2.25% has been considered.
b) SIP of Rs. 1000/- each has been taken into consideration including the first installment. SIP happen on 10th of every month.

Also note that we have assumed a/c opening and 1ST SIP happen in the same month.

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The fund also has a track record of consistently paying out high dividends

Dividend Plan				
Date	Rate (Re/ Unit)	% (per unit)	Cum Dividend NAV	*Ex-Dividend NAV
24-Feb-03	3.00	30	27.65	24.51
25-Jun-03	2.50	25	30.51	28.01
23-Sep-03	2.50	25	37.52	35.02
03-Dec-03	4.50	45	46.04	42.02
05-Feb-04	10.00	100	43.96	33.96
04-Jun-04	3.00	30	29.36	26.19
17-Dec-04	2.50	25	37.40	35.61
28-Mar-05	5.00	50	38.02	32.36
19-Dec-05	3.00	30	48.02	44.85
28-Mar-06	7.50	75	54.43	47.39
09-Oct-06	2.00	20	50.40	48.40
19-Jan-07	8.00	80	55.80	65.93
26-Oct-07	3.00	30	67.06	47.79
14-Mar-08	7.00	70	51.89	41.52
20-Mar-09	2.00	20	26.38	25.27

Past performance may or may not be sustained in the future. Dividend distribution is subject to availability & adequacy of distributable surplus. The Mutual Fund is not assuring that it will make periodical dividend distributions, though it has every intention of doing so. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any.

* NAV on the 1st transaction day after Record Date, which includes the mark to market impact also. NAV of Dividend Plan as on 30.09.09 – 46.1048. Face value is Rs 10 per unit

Investment Strategy

- Predominant focus on large capitalization stocks.
- The investment style is to focus on sector diversification, rather than taking aggressive bets on stock specific.
- Top–down and bottom–up investing approaches are followed based on macro framework.
- Consolidation of the portfolio with minimum 70% exposure to BSE 100/NSE/Nifty or top 100 companies by market capitalization.
- Invest the balance 0-30% outside BSE 100.
    - **Rationale for Non BSE 100 investment:**
        - To play on unique stock ideas
        - Which predominantly have a growth bias
        - Strategy: To use aggressive sector weights
- To have flexible cash allocation to counter abnormal market conditions.

Current Investment Rationale:

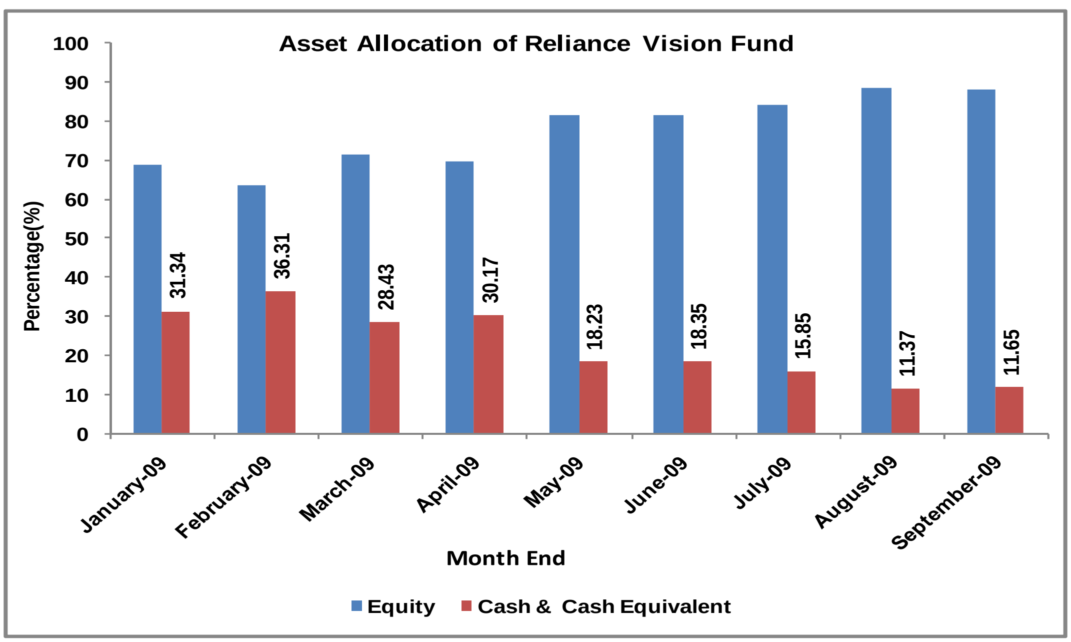
Exposure to relatively defensive sectors provide stability to the portfolio : During the last few months, the fund has around 45% of its corpus invested in sectors like banks, pharmaceutical, software, auto and petroleum products. ***The fund has maximum exposure to banks and pharmaceutical, which has increased gradually over a period of time. However, exposure to software has reduced and investments in auto have increased gradually.***

Sector	Allocation (%) April-09	May-09	June-09	July-09	Aug-09	Sep - 09
Banks	11.78	12.96	13.59	13.84	12.91	14.62
Pharmaceuticals	7.76	8.13	8.75	9.75	10.88	11.40
Software	11.36	10.24	10.88	11.44	9.77	9.17
Auto	5.25	4.98	4.88	7.29	8.62	8.37
Petroleum Products	5.36	6.09	5.83	4.93	5.65	5.81

Note: Sector Classification as per AMFI, Source: Internal

Cash used as a hedging tool: The cash allocation has reduced from 31% to 11% (Jan – Sep 09), which reaffirm Fund Manager's expertise on deciding appropriate levels of holding cash during turbulent times and deploying the same at right time and at right levels.

Thus, aggressive cash calls taken by the Fund Manager, has shielded the fund from volatility and further downside. The cash cushion has given enough room to the Fund Manager to invest in high quality large cap liquid stocks with attractive valuations.



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Right selection of stocks in a timely manner leads to better performance

Portfolio of Reliance Vision Fund As on 30/09/2009	
Top Ten Holdings	**Weightage(%)**
Equities	
STATE BANK OF INDIA	8.13
ICICI BANK LTD.	5.01
RELIANCE INDUSTRIES LTD.	4.38
DIVIS LABORATORIES LTD.	3.89
MARUTI SUZUKI INDIA LTD.	3.84
HOUSING DEVELOPMENT FINANCE COR LTD	3.50
TATA CONSULTANCY SERVICES LTD.	3.42
LARSEN & TOUBRO LTD.	3.39
BHARTI AIRTEL LTD.	3.37
RANBAXY LABORATORIES LTD.	3.03

During April – Sep 2009:

- Top ten holdings comprised of around 40% of the total corpus
- Benchmark Index (BSE 100) was up by 77%
  - While the following top holdings outperformed the Benchmark:
    - State Bank of India – up by 96 %
    - ICICI Bank – up by 160%
    - Maruti Suzuki India – up by 111%
    - HDFC – up by 97%
    - Larsen & Toubro – up by 146%
    - Ranbaxy – up by 141%

Thus, focus on diversification and high quality large capitalization stocks has been able to deliver better returns than the Benchmark

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Fund Facts

Fund Objective: 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. However, there can be no assurance that the investment objective of the Scheme will be realized, as actual market movements may be at variance with anticipated trends.

Type of Scheme: An Open-Ended Equity Growth Scheme

Fund Manager: Mr. Ashwani Kumar

Benchmark Index: BSE 100

Inception Date: 8th October 1995

Corpus : Rs.3989.31 Crore (As on 30/09/2009)

Asset Allocation :

Type of Security	% of Corpus (Indicative)	Risk Profile
Equity & Equity Related Securities	Atleast 60%	High
Debt Instruments	Up to 30%	Low to Medium
Money Market Instruments	Up to 10%	Low

Plans/Options: **Retail & Institutional Plan. Under each plans:**

Growth Plan : Growth & Bonus Option
Dividend Plan : Dividend Pay-out & Dividend Reinvestment Option

Minimum Investment: **Retail Plan:** Rs.5000/- & in multiples of Re.1 thereafter.
Institutional Plan: Rs. 5 Crs & in multiples of Re.1 thereafter.

Entry Load : **Retail Plan & Institutional Plan:** Nil

In terms of SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009. Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor.

Exit Load (w.e.f from 24th Aug 09)

Retail Plan & Institutional Plan

- 1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units.
- Nil if redeemed or switched out after the completion of 1 year from the date of allotment of units.

The views expressed herein are the personal views of the Fund Managers. The views constitute only the opinions and do not constitute any guidelines or recommendation on the course of the action to be followed. These are not necessarily the views on Reliance Capital Asset Management Ltd. Neither the AMC, the trustees, the Fund nor any of their affiliates or representatives assume any responsibility/liability for the accuracy of such information provided herein.

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.
Investment Objective: Reliance Vision Fund (An 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.

Risk Factors: Mutual Funds and securities investments are subject to market risks and there is 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 can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the Scheme. Reliance Vision Fund is the name of the Scheme and does 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 Scheme beyond their initial contribution of Rs.1 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. Investment The NAV of the Scheme may be affected, interalia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The Mutual Fund is not assuring that it will make periodical dividend distributions, though it has every intention of doing so. All dividend distributions are subject to the availability of distributable surplus in the Scheme. For details of scheme features apart from those mentioned above and for scheme specific risk factors, please refer to the Offer Document/Scheme Information Document. **Please read the offer document/Scheme Information Document carefully before investing.**