

# With an Aim to capture the Prevailing Long Term Yields

**RMF offers**

## Reliance Nivesh Lakshya Fund

(An open ended debt scheme investing in instruments such that the Macaulay Duration of the portfolio is greater than 7 years) (Please refer to the page number 1 of the Scheme Information Document on which the concept of Macaulay's Duration has been explained)

**NFO Opens : June 18, 2018**  
**NFO Closes : July 2, 2018**

Scheme re-opens for continuous sale & repurchase not later than July 13, 2018

Offer of Units of Rs. 10/- each during the New Fund Offer and Continuous offer for Units at NAV based prices

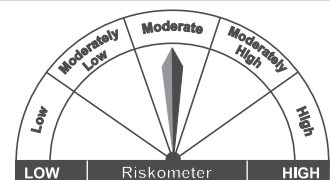
**Contact your financial advisor for further details**

Call 1800 300 1111 | SMS 'INVEST' to 561617 | [www.reliancemutual.com](http://www.reliancemutual.com)

This product is suitable for investors who are seeking\*

- Income over long term
- Investment in Debt & Money Market Instruments with portfolio Macaulay duration of greater than 7 years

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



Investors understand that their principal will be at Moderate risk

SMS charges apply.

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

## What do investors need?

- **Long Term Goals:** All individuals have long-term goals and would ideally want to have a certain corpus to meet those goals. Be it tension-free Retirement, Child's Education, Marriage of children, or leaving an estate for their children / grand-children.
- **Leaving a Legacy:** Individuals would want to leave an assured and healthy legacy for their children/grandchildren.
- **Preservation of Wealth:** Individuals would like to accumulate a certain corpus in the long term.

A vast majority of people have not planned for their long term goals, while a lot of them remain invested in sub optimal assets.

## Introducing Reliance Nivesh Lakshya Fund

It is a long duration fund which endeavors to take care of all the above investor needs and provides them with an opportunity to capture the prevailing interest rates.

## Fund Philosophy

- Investments in long term fixed income securities predominantly Government Securities at the current yields.
- Most of the securities would be bought and held till maturity.
- Rebalancing the portfolio to ensure that similar securities mix is maintained.

## The Case for Long Term Investing

History shows that as countries transition to developed economies, they witness a fall in inflation and interest rates:

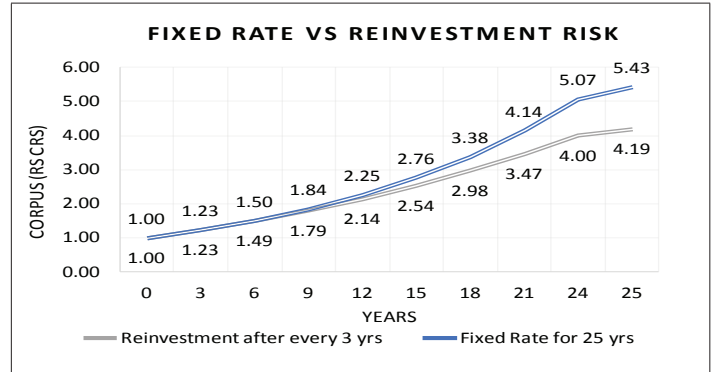
Country	10 Year Government Securities Yield		
	2000	2018	Drop in Yield
US	6.50%	3.00%	-54%
S. Korea	8.00%	2.70%	-66%
Germany	5.50%	0.55%	-90%
China	7.50%	3.80%	-49%
India	11.00%	7.80%	-29%

- Even countries like China and South Korea saw yields falling massively.
- India to be amongst the Top 3 largest economies as per an IMF forecast.

## What can be the reinvestment risk due to falling interest rates?

Given the above context of yields possibly coming down over the long term, it is pertinent to keep re-investment risk to the minimum.

For Example: If an investor invests Rs 1 cr. into a 25 year bond @7% and holds it till maturity, his corpus grows to Rs 5.43 crs; whereas if the same investor invests @7% and reinvests the proceeds every 3 years at the then prevailing interest rates his corpus would become Rs 4.19 crs. in 25 yrs (ROI ~5.9%)



Assuming interest rates fall by 0.1% every yr for the next 25 yrs

## Why should you invest in Reliance Nivesh Lakshya Fund?

- To secure the currently prevailing interest rates for long term.
- Insulation from credit risk.
- Tax efficient due to indexation benefit, applicable after 3 years.
- Opportunity to invest for long term with the flexibility to withdraw investments anytime.
- Regular cash flows through Systematic Withdrawal Plan (SWP) with flexible withdrawal amount and frequency. (Preferably after 3 years for tax efficiency).

**Common Source:** RMF Internal Research, Bloomberg, IMF

## Disclaimers:

The information herein below is meant only for general reading purposes and the views being expressed only constitute opinions and therefore cannot be considered as guidelines, recommendations or as a professional guide for the readers. Before making any investments, the readers are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. None of the Sponsor, the Investment Manager, the Trustee, their respective directors, employees, affiliates or representatives shall be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including on account of lost profits arising from the information contained in this material.

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