

# RELIANCE CAPITAL BUILDER – FUND 4 – SERIES C

## WHY INVEST IN THIS FUND?

### Key Features

- This is a predominantly small cap fund which will focus on identifying scalable ideas which are potential multi-baggers.
- Portfolio will be will diversified across stocks and sectors with 60-70 stocks
- Fund will seek to invest in the small cap with a focus on the domestic revival opportunities which can benefit from favorable dynamics like lower interest rates, govt. led capex, policy reforms/actions, rural consumption, Bank re-capitalisation etc. Key sectors are apparels, logistics, building products, Auto, FMCG, Consumer Durables, banks, NBFCs etc.
- The fund will also tap into ideas which currently cannot be part of Reliance Small cap fund due to size considerations.
- In order to maintain optimal fund size, the AMC may decide for an early closure of the NFO subject to achievement of the targeted corpus (approx. Rs. 500 Crs).
- **Reliance MF has one of the largest research & experienced fund management team with 200 + Mid/Small Cap companies tracked in-house**
- The fund will be managed by Samir Rachh and Meenakshi Dawar. Samir has over 25 years of experience in Equity research specializing in Mid & Small Cap space. He also manages the key open ended mid /small cap offerings like Reliance Small Cap Fund & Reliance Mid & Small Cap Fund along with a multi cap offering Reliance Regular Savings Fund –Equity Option.
- Tenure 1185 days from the allotment of units. NFO closes Dec 15, 2017

### Benefits

- Small cap stock identification and investing is a niche area and Reliance MF team has specialized experience in this segment.
- As of October 2017, in the **S&P BSE Small Cap Index**, 50 stocks have given returns of between 100-200% p.a. and 125 stocks have given returns of between 50-100%p.a. (1 year returns from October 2016 to October 2017) (Source: Reliance MF and Bloomberg)
- Based on the study mentioned above, **returns potential from this fund is attractive.**

### Recommendation

- We recommend this fund with a 3 time horizon for investors **desiring high tax-free returns with lower volatility from a portfolio of quality small and mid-cap companies.**
- Fund is closed ended. Units will be listed on BSE and liquidity will depend on the volumes.