

RELIANCE REGULAR SAVINGS FUND – BALANCED OPTION

WHY INVEST IN THIS FUND?

Key Features

- This is a balanced fund with an investment strategy which invests minimum 65% in equities and maximum 35% in debt.
- The portfolio is periodically rebalanced to ensure that the above allocation remains constant. It maintains a more or less steady-state asset allocation between equity and debt, with equity swinging in a narrow band of 66 to 70 per cent.
- Currently the portfolio has about 66% invested in equities, 5.21% in cash, 5.56% in government securities, 23.13% in AAA and AA rated corporate bonds.
- The equity portion of the portfolio contains 60 stocks from 34 sectors
- The debt portion of the portfolio has an average maturity of 4.83 years which indicates that the fund manager is expecting interest rates to fall in the future.
- On the debt portion, the fund does take aggressive duration calls. Throughout 2015-16, for instance, the average maturity was higher than 7 years. This has been toned down lately as interest rates have headed lower. While the fund seeks to add to returns based on rate calls, it is conservative on taking on credit risks. Out of the total debt portfolio around 15.10% is in AA rated bonds.
- The annual portfolio turnover ratio for the last 1 year is 3.04 times which indicates a fair amount of portfolio churning based on the conviction of the fund manager.
- The fund avoids both cash calls and drastic changes in allocation with market swings
- Within equities, well over two-thirds of the allocation is parked in large-cap stocks, which is higher than the peers' allocations
- In terms of style, the fund follows a blend of growth and value styles. For the debt portion, the fund relies more on duration than credit calls to improve returns.
- The top 3 sectors in the portfolio are Financials (27.14%), Automobiles (7.20%) and Metals (6.30%)
- The latest portfolio suggests a valuation-conscious approach, with a **good mix of cyclical and growth plays**
- Fund Benchmark is Crisil Balanced Fund – Aggressive Index
- Fund manager is Mr Sanjay Parekh (Equity Portion since April 2012) and Amit Tipathi (Debt Portion since Aug 2010)
- Current AUM of this fund is Rs 9,069 crores making it amongst the Top 8 largest balanced funds.
- Current expense ratio is 1.98%
- Exit load is 1% (up to 1 year for more than 10% of units). Minimum investment: Rs 5,000 (Lump sum) and Rs 500(SIP)

Benefits

- Fund has been a consistent performer over the last 5 years and its returns are comparable to those of equity funds.
- The fund size of Rs 9,069 crores has not been any impediment in its performance.
- Fund returns over the last 3 years (13.38%p.a CAGR), 5 years (17.83%p.a CAGR) have been ahead of its benchmark (Crisil Balanced Fund–Aggressive index) as well as the balanced category funds by 4.31% and 5.86% respectively. (Returns as on Oct 30, 2017)
- A longer history (Inception date June 10, 2005) suggests that 2009 and 2010 proved to be a turning point for this fund. Data proves that the fund rises more than its benchmark during bull markets and during bear markets the fund's negative returns are the same as its benchmark.
- Backed by a stable management team, this fund is amongst the top choices in the balanced funds category
- This fund is a long term wealth creator and can be part of an investor's core portfolio
- Lump sum and SIP/STP/SWP investment mode is available (CAGR - Compounded Annualized Growth Rate)

Recommendation

- We recommend this fund with a 3 to 5 years time horizon for investors who have a moderate risk appetite and expect equity like tax free returns.

RELIANCE REG SAVINGS FUND-BALANCED OPTION(G)

Fund Report Card		Reliance Reg Savings Fund-Balanced Option(G)																																																																														
Fund Objective/Mission The primary investment objective of this option is to generate consistent returns and appreciation of capital by investing in a mix of securities comprising of equity, equity related instruments & fixed income instruments.		Investment Information Scheme: Open ended scheme Launch Date: 10/Jun/2005 Fund Manager: Sanjay Parekh Bench Mark: CRISIL Balanced Fund - Aggressive Index Max.Entry Load(%): NA Max.Exit Load(%): 1		Fund Structure Total Stocks: 60 Total Sectors: 34 PIE Ratio: 26.66 Avg. Market Cap (Rs./Oct/Sep-2017): 117049.38																																																																												
Fund House Details AMC Name: Reliance Nippon Life Asset Management Limited Address: Reliance Centre, 7th Floor, South Wing, Off Western Express Highway, Santacruz (East) Mumbai - 400 055 Website: www.reliancemutual.com		5 Years History <table border="1"> <thead> <tr> <th>Financial Year</th> <th>2016-2017</th> <th>2015-2016</th> <th>2014-2015</th> <th>2013-2014</th> <th>2012-2013</th> </tr> </thead> <tbody> <tr> <td>NAV in Rs. (as on 31st March)</td> <td>47.56</td> <td>39.57</td> <td>39.41</td> <td>28.26</td> <td>23.79</td> </tr> <tr> <td>Net Assets(Rs Crores.) (as on 31st March)</td> <td>5130</td> <td>2130</td> <td>1060</td> <td>549</td> <td>518</td> </tr> <tr> <td>Returns(%)</td> <td>20.29</td> <td>-0.25</td> <td>30.33</td> <td>18.03</td> <td>7.81</td> </tr> <tr> <td>CNX NIFTY Returns(%)</td> <td>18.94</td> <td>-9.87</td> <td>26.33</td> <td>17.53</td> <td>6.86</td> </tr> <tr> <td>Category Rank</td> <td>18(268)</td> <td>124(242)</td> <td>13(206)</td> <td>16(147)</td> <td>38(84)</td> </tr> </tbody> </table> * Latest As on 31/Mar/17				Financial Year	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	NAV in Rs. (as on 31st March)	47.56	39.57	39.41	28.26	23.79	Net Assets(Rs Crores.) (as on 31st March)	5130	2130	1060	549	518	Returns(%)	20.29	-0.25	30.33	18.03	7.81	CNX NIFTY Returns(%)	18.94	-9.87	26.33	17.53	6.86	Category Rank	18(268)	124(242)	13(206)	16(147)	38(84)																																							
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