1. Reliance Growth Fund (An Open-ended Equity Growth Scheme)
2. Reliance Vision Fund (An Open-ended Equity Growth Scheme)
3. Reliance Equity Opportunities Fund (An Open-ended Diversified Equity Scheme)
4. Reliance Equity Fund (An open-ended Diversified Equity Scheme)
5. Reliance Equity Advantage Fund (An Open ended Diversified Equity Scheme)
6. Reliance Natural Resources Fund (An Open Ended Equity Scheme)
7. Reliance Tax Saver (ELSS) Fund (An Open-ended Equity Linked Savings Scheme)
8. Reliance Long Term Equity Fund(A 36 months close ended diversified equity fund with an automatic conversion into an open ended scheme on expiry of 36 months from the date of allotment)
10. Reliance Banking Fund (An Open-ended Banking Sector Scheme)
11. Reliance Pharma Fund (An Open-ended Pharma Sector Scheme)
12. Reliance Media & Entertainment Fund (An Open-ended Media & Entertainment Sector Scheme)
13. Reliance NRI Equity Fund (An Open-ended Diversified Equity Scheme)
14. Reliance Regular Savings Fund (An open ended Scheme) Equity Option
15. Reliance Regular Savings Fund (An open ended Scheme) Balanced Option
16. Reliance Equity Linked Saving Fund – Series I (A 10 year close-ended Equity Linked Savings Scheme)
17. Reliance Quant Plus Fund (An Open-ended Equity Scheme)
18. Reliance Banking Exchange Traded Fund (Open-ended, exchange listed, index linked Scheme)
19. Reliance Gold Exchange Traded Fund (An open-ended Gold ETF)

1. Scheme Performance, Future Outlook and Operations of the Scheme

<table>
<thead>
<tr>
<th>Name of the Scheme / Benchmarks</th>
<th>Date of Inception</th>
<th>Compounded Annualised Returns as on 31.03.09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 year</td>
</tr>
<tr>
<td>Reliance Growth Fund - Retail Plan</td>
<td>08-Oct-95</td>
<td>-37.94</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-39.97</td>
</tr>
<tr>
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<tr>
<td>Reliance Vision Fund - Retail Plan</td>
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<tr>
<td></td>
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<td>-39.97</td>
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<tr>
<td></td>
<td></td>
<td>-39.97</td>
</tr>
<tr>
<td>Name of the Scheme / Benchmarks</td>
<td>Date of Inception</td>
<td>Compounded Annualised Returns as on 31.03.09</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 year</td>
</tr>
<tr>
<td>Reliance Equity Opportunities Fund - Retail Plan</td>
<td>08-Aug-07</td>
<td>-38.12</td>
</tr>
<tr>
<td>BSE 100</td>
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<td>-39.97</td>
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<tr>
<td>BSE 100</td>
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<tr>
<td>Reliance Equity Fund - Retail Plan</td>
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<tr>
<td>S&amp;P CNX Nifty</td>
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<td>-36.19</td>
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<tr>
<td>Reliance Equity Advantage Fund – Retail Plan</td>
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<td>S &amp; P CNX Nifty</td>
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<td>-36.19</td>
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<tr>
<td>Reliance Natural Resources Fund - Retail Plan</td>
<td>09-Aug-07</td>
<td>-36.08</td>
</tr>
<tr>
<td><strong>Custom Benchmark created using 65% weight of BSE 200 &amp; 35% weight of MSCI World Energy Index</strong></td>
<td>26-Feb-08</td>
<td>-40.76</td>
</tr>
<tr>
<td>Reliance Natural Resources Fund - Institutional Plan</td>
<td>22-Sep-08</td>
<td>N.A</td>
</tr>
<tr>
<td>A custom benchmark has been created using BSE 200 to the extent of 65% of the portfolio and MSCI World Energy Index for the balance 35% of the portfolio</td>
<td></td>
<td>N.A</td>
</tr>
<tr>
<td>Name of the Scheme / Benchmarks</td>
<td>Date of Inception</td>
<td>Compounded Annualised Returns as on 31.03.09</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td></td>
<td>1 year</td>
<td>3 years</td>
</tr>
<tr>
<td>Reliance Tax Saver (ELSS) Fund</td>
<td>-30.71</td>
<td>-10.02</td>
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<tr>
<td>BSE 100</td>
<td>-39.97</td>
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<tr>
<td>Reliance Long Term Equity Fund</td>
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<tr>
<td>BSE 200</td>
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<tr>
<td>Reliance Diversified Power Sector Fund - Retail Plan</td>
<td>-35.78</td>
<td>10.33</td>
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<tr>
<td>India Power Index</td>
<td>-31.57</td>
<td>1.58</td>
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<tr>
<td>Reliance Diversified Power Sector Fund - Institutional Plan</td>
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<td>-35.7</td>
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<td>India Power Index</td>
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<td>Reliance Banking Fund – Retail Plan</td>
<td>-30.26</td>
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<td>S&amp;P CNX Bank Index</td>
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<td>S&amp;P CNX Banks Index</td>
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<td>Reliance Pharma Fund</td>
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<td>BSE Health Care Index</td>
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<td>Reliance Media &amp; Entertainment Fund</td>
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<td>S&amp;P CNX Media &amp; Entertainment Index</td>
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<td>Reliance NRI Equity Fund</td>
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<td>BSE 200 Index</td>
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<tr>
<td>Reliance Regular Savings Fund-Balanced option - Growth OptionPerformance - Performance as on 12 January 2007</td>
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<tr>
<td>Reliance Regular Savings Fund-Hybrid option - Growth Option</td>
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<tr>
<td>Name of the Scheme / Benchmarks</td>
<td>Date of Inception</td>
<td>Compounded Annualised Returns as on 31.03.09</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>-------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
<tr>
<td>Crisil MIP Blended Index</td>
<td>NA</td>
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<tr>
<td>09-Jun-05</td>
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<tr>
<td>Reliance Regular Savings Fund-Balanced option - Growth OptionPerformance as on 13 Jan 07 to 20 February 2007</td>
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<tr>
<td>Reliance Regular Savings Fund-Balanced option - Growth option</td>
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<td>NA</td>
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<tr>
<td>Crisil MIP Blended Index</td>
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<td>NA</td>
</tr>
<tr>
<td>13-Jan-07</td>
<td></td>
<td></td>
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<tr>
<td>Reliance Regular Savings Fund-Balanced option - Growth Option</td>
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<tr>
<td>Crisil Balanced Fund Index ^1</td>
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<tr>
<td>13-Jan-07</td>
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<tr>
<td>Reliance Regular Savings Fund-Equity Option</td>
<td>-38.56</td>
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<tr>
<td>BSE 100 Index</td>
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<tr>
<td>09-Jun-05</td>
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<tr>
<td>Reliance Equity Linked Saving Fund - Series I</td>
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<td>BSE 100 Index</td>
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<tr>
<td>01-Apr-08</td>
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<td>Reliance Quant Plus Fund - Retail Plan</td>
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<td>S&amp;P CNX Nifty</td>
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<td>18-Apr-08</td>
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<td>18-Apr-08</td>
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<tr>
<td>Reliance Banking Exchange Traded Fund</td>
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<tr>
<td>CNX Bank Index</td>
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</table>
### PERFORMANCE OF THE SCHEMES VIS - A - VIS BENCHMARK INDICES

<table>
<thead>
<tr>
<th>Name of the Scheme / Benchmarks</th>
<th>Date of Inception</th>
<th>Compounded Annualised Returns as on 31.03.09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 year</td>
</tr>
<tr>
<td>Reliance Gold Exchange Traded Fund</td>
<td>24-Jun-08</td>
<td></td>
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<tr>
<td>Dividend Payout</td>
<td></td>
<td>27.12</td>
</tr>
<tr>
<td>Domestic Price Gold</td>
<td></td>
<td>30.32</td>
</tr>
<tr>
<td></td>
<td>22-Nov-07</td>
<td></td>
</tr>
</tbody>
</table>

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

Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

All the returns are of Growth Plan - Growth Option (Except Reliance Regular Savings Fund – Returns are for Growth Option, Reliance Gold Exchange Traded Fund – Returns are for Dividend Payout Option, Reliance Banking Exchange Traded Fund)

Returns less than 1 year are on absolute basis and more than or equal one year are on compounded annualised basis

Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

For all schemes where inception date is after 01.04.08, absolute returns are provided since inception date

2 Reliance Regular Savings Fund - Hybrid Option was launched on June 9, 2005 and subsequently Hybrid Option has been changed to Balanced Option w.e.f. January 13, 2007

3 Benchmark of Reliance Regular Saving Fund Balanced option has been changed to Crisil Balanced Fund Index from Crisil MIP Index with effect from 21st Feb 08

Reliance Growth Fund - Reliance Growth Fund has outperformed the benchmark since inception by almost 16% in Retail Plan and 3% in Institutional Plan. The portfolio of this fund has quality stocks which have been instrumental in this out performance in volatile market conditions. Going ahead the fund manager intends to maintain appropriate cash levels and churn the portfolio depending on the market condition.

Reliance Vision Fund - Reliance Vision Fund performance was better than the benchmark despite the extreme volatile conditions. The fund is invested in stocks which would have a significant part to play in India growth story over next few years. The fund manager intends to maintain appropriate cash levels and take stock calls depending on the market conditions.

Reliance Equity Opportunities Fund - Reliance Equity Opportunities Fund seeks to invest across sectors and market caps with an aim to deliver better returns. The fund manager's ability to churn the portfolio depending on market movements and the philosophy to maintain appropriate cash levels will aim to improve the performance of the fund.

Reliance Equity Fund - Reliance Equity Fund aims at maximizing returns in a volatile market through hedging mechanisms. In the recent market gyrations the fund has outperformed its
benchmark since inception, as its hedged portfolio is an excellent strategy to combat volatile market.

Reliance Equity Advantage Fund - Reliance Equity Advantage Fund invests predominantly in Nifty stocks. The fund has outperformed the Nifty in the time period under consideration. Most of the fund is invested in Nifty stocks, the fund also has some corpus in non Nifty stocks and these stocks have the potential to give good returns over longer term.

Reliance Natural Resources Fund was launched in January 2008, the fund has outperformed the benchmark for the period under consideration. Due to higher cash component and superior fund management, the severe correction in global indices has not affected significantly the fund performance and the fund continues to perform in line with its benchmark.

Reliance Tax Saver (ELSS) Fund - Reliance Tax Saver (ELSS) Fund is a tax saving investment with an aim to generate better returns over three year tenure. This is a fund with 3 year lock in so the portfolio has quality stocks majority from BSE 100 index and others quality mid cap stocks which require a longer investment horizon. Since the investor has a lock in period of three years, this gives the fund manager liberty to take more of long term calls.

Reliance Long Term Equity Fund - Reliance Long Term Equity Fund is a 3 year close ended fund with a long term investment horizon. The fund has outperformed its benchmark for the period under consideration. This fund has stocks which have long term potential and ability to outperform. The fund manager has taken a longer term view in constructing this portfolio.
Reliance Diversified Power Sector Fund - Reliance Diversified Power Sector Fund aims to capitalise on the opportunity in power sector, the fund manager is positive on the prospects of this sector and aims to outperform the performance vis-a-vis the benchmark.

Reliance Banking Fund - The fund manager has been able to manage the fund reasonably well in volatile conditions for banking stocks. The performance of Reliance Banking Fund has outperformed the benchmark in almost all the time periods.

Reliance Pharma Fund - During the period under consideration the fund has outperformed its benchmark. The fund aims for a combination of large cap and mid cap companies to provide rapid growth along with some steady performers.

Reliance Media & Entertainment Fund - In spite of being highly fragmented, media industry in India is growing at a rapid pace. Increasing work force and rising income levels augurs well for the sustenance of these growth rates.

Reliance Media & Entertainment Fund aims to capture on the opportunities arising within the sector. As the industry gets deregulated and better compliance sets in the revenue prospects for key players will increase multifold. The Fund Manager believes the profitability of the companies are set to rise, this fund has outperformed the benchmark index during period under consideration.

Reliance NRI Equity Fund aims to be an exclusive offering for NRI investors who are seeking exposure to diversified equity space to participate in the strong trajectory of India growth story. It aims to invest in BSE 200 or top 200 companies by market cap on the BSE.
This fund has outperformed the benchmark during the period under consideration.

Reliance Regular Savings Fund – Equity Option - Reliance Regular Savings Fund – Equity Option aims to invest in top companies across sectors with a long term investment horizon. The fund manager’s ability to churn the portfolio depending on market movements also played a significant part in the fund out performance.

Reliance Regular Savings Fund - Balanced Option - Reliance Regular Savings Fund – Balanced Option aims to invest in top companies across sectors with a long term investment horizon. It provides for twin benefits of growth from equity markets by investing in large cap stocks and steady income from debt markets.

Reliance Equity Linked Saving Fund - Series I - Reliance Equity Linked Saving Fund - Series I invest in top companies across sectors with a long term investment horizon. This fund has outperformed the benchmark since inception

Reliance Quant Plus Fund - Reliance Quant Plus Fund invests in Nifty constituents only. Fund’s performance was better than the benchmark (i.e. Nifty Index) despite of extreme volatile conditions. This was mainly due to appropriate selection of stocks and allocation of funds. The fund has outperformed the benchmark by more than 6% since inception. The fund invests in blue-chip stocks only (maximum 20 stocks) which are selected from quant model with a goal to generate higher returns than benchmark. The fund manager’s ability to maintain appropriate cash levels depending on the market conditions also plays a significant role.

Reliance Banking Exchange Traded Fund - Due to ongoing subscription and redemption, there could be tracking error between fund and benchmark performance. Generally a small cash position in falling market helps in increasing returns. The fund has outperformed the benchmark since inception.

Reliance Gold Exchange Traded Fund - Reliance Gold Exchange Traded Fund NAV has appreciated from around Rs 1026.3180 per unit (on 22nd Nov 2007) to around Rs 1460.7700 per unit (on 31st Mar 2009). Liquidity crisis, credit concerns, financial turmoil, global growth slowdown and geopolitical uncertainties were few of the major drivers for higher gold prices. Outlook for gold remains positive as long as an uncertainty over global financial markets prevails.

At times less than 100% is invested in physical gold due to continuous subscription and redemption into the Scheme. Disparity between domestic and international prices and underinvestment in physical Gold generally gives rise to tracking error between the fund performance and actual Gold prices.

**Future Outlook** - The Indian Mutual Fund Industry is one of the fastest growing sectors in the Indian capital and financial markets with 38 Asset Management Companies currently operating in the country (as on 31st March 09). Over the last few years, the mutual fund industry has grown at a remarkable pace of 30 per cent CAGR per annum. The Total Average Industry Asset under Management (AUM) is Rs 4, 93,194.77 crores as on 31st March 2009. (Source – AMFI). The mutual fund industry in India has seen dramatic improvements in quantity as well as quality of product and service offerings in recent years.

According to KPMG India’s recent report released in June 09 industry AUM is likely to continue to grow in the range of 15 to 25 percent from the period 2010 to 2015 based on the pace of economic growth. In the event of quick revival and positive reinforcement of growth drivers identified, KPMG in India is of the view that the Indian mutual fund industry may grow in the range
of 15 to 18 percent in the period from 2010 to 2015, resulting in AUM of Rs 15 lakh to 17 lakh crores in 2015.

2. Brief background of Sponsors, Trust, Trustee Co. and AMC.
   a. Reliance Capital Limited – Sponsor
   Reliance Mutual Fund is sponsored by Reliance Capital Limited. The Sponsor is the Settler of the Mutual Fund Trust. Reliance Capital Asset Management Limited (RCAM) is a subsidiary of Reliance Capital Limited (RCL), which holds 93.37% of the paid-up capital of RCAM, the balance paid up capital being held by minority shareholders. Reliance Capital Limited has interest in asset management and mutual funds, life and non-life insurance, private equity and proprietary investments, stock broking, and other activities in the financial services sector.

   b. Reliance Mutual Fund
   Reliance Mutual Fund (RMF) was set up as a Trust by the Settlers, Reliance Capital Limited on April 25, 1995 with Reliance Capital Trustee Co. Limited (the Trustee Company) as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated May 12, 1995 with Reliance Capital Asset Management Ltd. (the AMC) to function as the Investment Manager for all the Schemes of RMF. The agreement was amended on August 12, 1997 in line with SEBI (Mutual Funds) Regulations, 1996. RMF was registered with SEBI on June 30, 1995.

   c. Reliance Capital Trustee Company
   The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

   d. Reliance Capital Asset Management Limited
   Reliance Capital Asset Management Ltd. (RCAM) is an unlisted Public Limited Company incorporated under the Companies Act, 1956 on February 24, 1995, having its registered office at "Reliance House", Near. Mardia Plaza, Off. C.G. Road, Ahmedabad, 380 006 and its Corporate Office at Express Building (4th/5th/6th floor), 14-E Road, Churchgate, Mumbai 400020. RCAM has been appointed as the Asset Management Company of Reliance Mutual Fund by The Trustee vide Investment Management Agreement (IMA) dated May 12, 1995 and executed between Reliance Capital Trustee Co. Limited and Reliance Capital Asset Management Ltd. and amended on August 12, 1997 in line with SEBI (Mutual Funds) Regulations, 1996.

3. Investment Objective of the Scheme

Reliance Growth 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.

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 investment in equity and equity related securities through a research based investment approach.

Reliance Equity Opportunities Fund (An Open-ended Diversified Equity Scheme): The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity
related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities.

**Reliance Equity Fund (An open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities of top 100 companies by market capitalization & of companies which are available in the derivatives segment from time to time and the secondary objective is to generate consistent returns by investing in debt and money market securities.

**Reliance Equity Advantage Fund (An Open ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio predominately of equity & equity related instruments with investments generally in S & P CNX Nifty stocks and the secondary objective is to generate consistent returns by investing in debt and money market securities.

**Reliance Natural Resources Fund (An Open Ended Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in companies principally engaged in the discovery, development, production, or distribution of natural resources and the secondary objective is to generate consistent returns by investing in debt and money market securities.

**Reliance Tax Saver (ELSS) Fund (An Open-ended Equity Linked Savings Scheme):** The primary objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.

**Reliance Long Term Equity Fund (A 36 months close ended diversified equity fund with an automatic conversion into an open ended scheme on expiry of 36 months from the date of allotment):** The primary investment objective of the scheme is to seek to generate long term capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities and Derivatives and the secondary objective is to generate consistent returns by investing in debt and money market securities.

**Reliance Diversified Power Sector Fund (An Open-ended Power Sector Scheme):** The primary investment objective of the scheme is to seek to generate continuous returns by actively investing in equity and equity related or fixed income securities of Power and other associated companies.

**Reliance Banking Fund (An Open-ended Banking Sector Scheme):** The primary investment objective of the scheme is to generate continuous returns by actively investing in equity and equity related or fixed income securities of Banks.

**Reliance Pharma Fund (An Open-ended Pharma Sector Scheme):** The primary investment objective of the scheme is to seek to generate consistent returns by investing in equity and equity related securities or fixed income securities of Pharma and other associated companies.

**Reliance Media & Entertainment Fund (An Open-ended Media & Entertainment Sector Scheme):** The primary investment objective of the scheme is to generate continuous returns by investing in equity and equity related or fixed income securities of Media & Entertainment and other associated companies.

**Reliance NRI Equity Fund (An Open-ended Diversified Equity Scheme):** The primary investment objective of the scheme is to generate optimal returns by investing in equity and equity related instruments primarily drawn from the Companies in the BSE 200 Index.
Reliance Regular Savings Fund (An open ended Scheme) Equity Option: The primary investment objective of this Option is to seek capital appreciation and/or to generate consistent returns by actively investing in equity / equity related securities. **Balanced Option:** The primary investment objective of this Option is to generate consistent return and appreciation of capital by investing in mix of securities comprising of Equity, Equity related Instruments & Fixed income instruments.

Reliance Equity Linked Saving Fund – Series I (A 10 year close-ended Equity Linked Savings Scheme): The primary objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equities along with income tax benefit.

Reliance Quant Plus Fund (An Open-ended Equity Scheme): The investment objective of the Scheme is to generate capital appreciation through investment in equity and equity related instruments. The Scheme will seek to generate capital appreciation by investing in an active portfolio of stocks selected from S & P CNX Nifty on the basis of a mathematical model.

Reliance Banking Exchange Traded Fund (Open-ended, exchange listed, index linked Scheme ): The investment objective of Reliance Banking Exchange Traded Fund (RBETF) is to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the CNX Bank Index. However, the performance of Scheme may differ from that of the underlying index due to tracking error.

Reliance Gold Exchange Traded Fund (An open-ended Gold ETF) : The investment objective is to seek to provide returns that closely correspond to returns provided by price of gold through investment in physical Gold (and Gold related securities as permitted by Regulators from time to time). However, the performance of the scheme may differ from that of the domestic prices of Gold due to expenses and or other related factors.

4. Significant Accounting Policies:
Accounting policies followed by Reliance Mutual Fund are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

5. Unclaimed Dividend & Redemptions:

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>Unclaimed Dividend</th>
<th>Unclaimed Redemptions</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>No. of investors</td>
<td>Amount (Rs.)</td>
</tr>
<tr>
<td>Reliance Growth Fund</td>
<td>2,792</td>
<td>17,264,327.00</td>
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<tr>
<td>Reliance Vision Fund</td>
<td>680</td>
<td>29,5562.00</td>
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<td>Reliance Banking Fund</td>
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<td>5,284,277.00</td>
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<td>Reliance Pharma Fund</td>
<td>294</td>
<td>576,952.00</td>
</tr>
<tr>
<td>Reliance Media And Entertainment Fund</td>
<td>22</td>
<td>300,298.00</td>
</tr>
</tbody>
</table>

6. Statutory Information:
a. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 Lakh for setting up the Fund, and such other accretions / additions to the same.

b. The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.

c. Full Annual Report shall be disclosed on the website (www.reliancemutual.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

For and on behalf of the Board of Trustees
Reliance Capital Trustee Co. Limited

Sd/-
A.N. Shanbhag           P.P. Vora
Director           Director

Date: June 26, 2009
Place: Mumbai

SECTION II - TRUSTEE REPORT – DEBT SCHEMES AS UNDER.

Trustees Report for the following Open Ended, Close Ended and Interval Debt schemes

1. Reliance Income Fund (An Open-ended Income Scheme)
2. Reliance Liquid Fund (An Open-ended Liquid Scheme)
3. Reliance Medium Term Fund (An Open-ended Income Scheme with no assured returns)
4. Reliance Short Term Fund (An Open-ended Income Scheme)
5. Reliance Gilt Securities Fund (An Open-ended Govt. Securities Scheme)
6. Reliance Monthly Income Plan (An Open-ended Fund-Monthly Income is not assured & is subject to the availability of distributable surplus)
7. Reliance Floating Rate Fund (An Open-ended Liquid Scheme)
8. Reliance NRI Income Fund (An Open-ended Income Scheme)
9. Reliance Money Manager Fund (Open ended income scheme)
10. Reliance Liquidity Fund (An Open-ended liquid scheme)
11. Reliance Regular Savings Fund (An open ended Scheme) Debt Option
12. Reliance Interval Fund (A Debt Oriented Interval Scheme)
13. Reliance Fixed Horizon Fund - IV (A close-ended income scheme)
14. Reliance Fixed Horizon Fund - V (A closed-ended income scheme)
15. Reliance Fixed Horizon Fund - VII (A closed-ended income scheme)
16. Reliance Fixed Horizon Fund - VIII (A closed-ended income scheme)
17. Reliance Fixed Horizon Fund - IX (A closed-ended income scheme)
18. Reliance Fixed Horizon Fund – X (A closed-ended income scheme)
19. Reliance Fixed Horizon Fund – XII (A closed-ended income scheme)

1. Scheme Performance, Future Outlook and Operations
   a. Open Ended Debt Scheme
<table>
<thead>
<tr>
<th>Name of the Scheme / Benchmarks</th>
<th>Date of Inception</th>
<th>Compounded Annualised Returns as on 31.03.09</th>
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*Past performance may or may not be sustained in future.*

1 Due to change in portfolio structure and asset allocation pattern, CAGR are not disclosed and only absolute returns since inception are disclosed. For more details on the features of Reliance Floating Rate Fund please refer to addendum to the offer document dated 09/08/2006. Past Performance may or may not be sustained in the future. Calculations assume that all payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV.

All the returns are of Growth Plan - Growth Option (Except RRSF, Reliance Gold ETF, Reliance Banking ETF)

Returns less than 1 year are on absolute basis and more than or equal one year are on compounded annualised basis

For all schemes where inception date is after 01.04.08, absolute returns are provided since inception date
**PERFORMANCE OF THE SCHEMES VIS-À-VIS BENCHMARK INDICES**

<table>
<thead>
<tr>
<th>Name of the Scheme / Benchmarks</th>
<th>Date of Inception</th>
<th>Compounded Annualised Returns as on 31.03.09</th>
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*The key features of Reliance Gilt Securities Fund having Short Term Plan and Long Term Plan have been changed w.e.f 22nd Aug 2008. Pursuant to the changes, the scheme will have Retail Plan and Institutional Plan. For more details please refer to the Addendum dated 21st July 2008.

Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

b. Close Ended & Interval Schemes

<table>
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<th>Absolute Returns (%)</th>
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**RELIANCE INTERVAL FUND - MONTHLY INTERVAL FUND I SERIES I**

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**RELIANCE FIXED HORIZON FUND - PLAN C - SERIES III**

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**RELIANCE FIXED HORIZON FUND - PLAN C - SERIES II**

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**RELIANCE INTERVAL FUND - MONTHLY INTERVAL FUND - SERIES II**

<table>
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<td>Name of the Scheme / Benchmark Index</td>
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<td>26-Mar-08</td>
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<td>9.81</td>
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<td>26-Mar-08</td>
<td>10.34</td>
<td>10.57</td>
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<td></td>
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<td>28-Mar-08</td>
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<td>28-Mar-08</td>
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<td>9.92</td>
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<td>11-Apr-08</td>
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<td>13-May-08</td>
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<td>09-Jun-08</td>
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<td>20-Jun-08</td>
<td>N.A</td>
<td>8.10</td>
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<td>20-Jun-08</td>
<td>N.A</td>
<td>8.31</td>
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<td>18-Jul-08</td>
<td>N.A</td>
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<td>18-Jul-08</td>
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<td>7.76</td>
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<td>Name of the Scheme / Benchmark Index</td>
<td>Inception Date</td>
<td>Absolute Returns (%)</td>
<td>Compounded Annualised Returns (%)</td>
</tr>
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<td>RELIANCE FIXED HORIZON FUND - IX - SERIES 10</td>
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<td>Retail Plan</td>
<td>01-Aug-08</td>
<td>N.A</td>
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<td>01-Aug-08</td>
<td>N.A</td>
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<td>01-Aug-08</td>
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<td>25-Aug-08</td>
<td>N.A</td>
<td>6.57</td>
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<td>Institutional Plan</td>
<td>25-Aug-08</td>
<td>N.A</td>
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<td>Super Institutional Plan</td>
<td>25-Aug-08</td>
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<td>25-Aug-08</td>
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<td>27-Aug-08</td>
<td>N.A</td>
<td>6.42</td>
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<td>Institutional Plan</td>
<td>27-Aug-08</td>
<td>N.A</td>
<td>6.57</td>
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<td>Super Institutional Plan</td>
<td>27-Aug-08</td>
<td>N.A</td>
<td>6.73</td>
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<td>Retail Plan</td>
<td>09-Sep-08</td>
<td>N.A</td>
<td>7.26</td>
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<td>09-Sep-08</td>
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<td>Retail Plan</td>
<td>23-Sep-08</td>
<td>N.A</td>
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<td>Institutional Plan</td>
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<td>01-Oct-08</td>
<td>N.A</td>
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<tr>
<td>Name of the Scheme / Benchmark Index</td>
<td>Inception Date</td>
<td>Absolute Returns (%)</td>
<td>Compounded Annualised Returns (%)</td>
</tr>
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<td>-------------------------------------</td>
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<td></td>
<td>1 Year (i.e 01.04.08 - 31.03.09)</td>
<td>Since Inception</td>
<td></td>
</tr>
<tr>
<td>Institutional Plan</td>
<td>01-Oct-08</td>
<td>N.A 5.03</td>
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<tr>
<td>Super Institutional Plan</td>
<td>01-Oct-08</td>
<td>N.A 5.25</td>
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<td>N.A 6.96</td>
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<td>RELIANCE FIXED HORIZON FUND - X - SERIES 5</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Retail Plan</td>
<td>25-Sep-08</td>
<td>N.A 5.66</td>
<td></td>
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<td>Institutional Plan</td>
<td>25-Sep-08</td>
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<td>Super Institutional Plan</td>
<td>25-Sep-08</td>
<td>N.A 6.02</td>
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<td>Retail Plan</td>
<td>22-Oct-08</td>
<td>N.A 8.16</td>
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<td>Institutional Plan</td>
<td>22-Oct-08</td>
<td>N.A 8.39</td>
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<td>22-Oct-08</td>
<td>N.A 8.63</td>
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<td>RELIANCE FIXED HORIZON FUND - X - SERIES 8</td>
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<tr>
<td>Retail Plan</td>
<td>06-Nov-08</td>
<td>N.A 5.84</td>
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<tr>
<td>Institutional Plan</td>
<td>06-Nov-08</td>
<td>N.A 5.84</td>
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<tr>
<td>Super Institutional Plan</td>
<td>06-Nov-08</td>
<td>N.A 5.84</td>
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<td>Crisil Short Term Bond Fund Index</td>
<td></td>
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<td>RELIANCE FIXED HORIZON FUND- XII SERIES 2</td>
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<td>Retail Plan</td>
<td>26-Nov-08</td>
<td>N.A 3.86</td>
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<td>26-Nov-08</td>
<td>N.A 4.04</td>
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<tr>
<td>Super Institutional Plan</td>
<td>26-Nov-08</td>
<td>N.A 4.13</td>
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<td>Crisil Short Term Bond Fund Index</td>
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<td>5.36</td>
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<td>RELIANCE FIXED HORIZON FUND- XII SERIES 3</td>
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<tr>
<td>Retail Plan</td>
<td>30-Mar-09</td>
<td>N.A 0.02</td>
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<tr>
<td>Institutional Plan</td>
<td>30-Mar-09</td>
<td>N.A 0.02</td>
<td></td>
</tr>
<tr>
<td>Super Institutional Plan</td>
<td>30-Mar-09</td>
<td>N.A 0.02</td>
<td></td>
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<tr>
<td>Name of the Scheme / Benchmark Index</td>
<td>Inception Date</td>
<td>Absolute Returns (%)</td>
<td>Compounded Annualised Returns (%)</td>
</tr>
<tr>
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<td>---------------</td>
<td>----------------------</td>
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<td>Crisil Short Term Bond Fund Index</td>
<td>N.A</td>
<td>0.11</td>
<td>Since Inception</td>
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<tr>
<td>RELIANCE FIXED HORIZON FUND- XII SERIES 4</td>
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<td>Retail Plan</td>
<td>30-Mar-09</td>
<td>N.A</td>
<td>0.02</td>
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<tr>
<td>Super Institutional Plan</td>
<td>30-Mar-09</td>
<td>N.A</td>
<td>0.02</td>
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<tr>
<td>Crisil Short Term Bond Fund Index</td>
<td>N.A</td>
<td>0.11</td>
<td></td>
</tr>
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</table>

Past performance may or may not be sustained in future.

Note: Returns equal to 1 year are on absolute basis and more than year returns are on compounded annualised basis
For all schemes where inception date is after 01.04.08, absolute returns are provided since inception date
All the returns are of Growth Plan - Growth Option
* Since there are no investors in the plan post 30.03.09, hence returns are provided as on 30.03.09
Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

After a sustained growth period of almost half a decade wherein all the developed and developing economies showed a high GDP growth rate and equity markets and asset prices touched their historical highs, the year 2008 saw the sharp slowdown in the global growth.

The first half of last year witnessed a lot of volatility in the debt markets on account of rising crude, inflation and the rate hikes by the RBI to control inflation. This was reflected in the ten year benchmark touching high of 9.45% in July 2008. But as credit crisis gripped the world in the second half of 2008, with central banks around the world cutting rates to pacify the impact of the crisis on economy, treasuries (including domestic) rallied on account of flight to safety with yields crashing worldwide (Current Ten year GOI security benchmark levels are around 6.70% (as on Mar 09).

Since the start of 2008, inflation started rising and touched a high of 12.63% in mid of Aug 2008 mainly on account of rising global commodity prices, primary articles and around 10% domestic oil prices hike. Inflation has sharply declined since November 2008 on declining global and domestic commodities prices and fuel prices cut.

In order to restore confidence in the market, the RBI announced a series of monetary and fiscal measures. The RBI also announced to conduct the repurchase of Government Securities (G-Sec henceforth) through open market operations as well desequestering of Market Stabilization Scheme bonds. The total liquidity injected into the system since September 2008 via CRR cuts and various liquidity measures works out to Rs.4.2 trillion (Source: RBI Annual Report 2009-10). Globally, all the major countries have aggressively cut rates as an immediate measure to restore confidence in the markets.

In January 2009 policy review, the RBI announced that “the stance of monetary policy for the rest of 2009 will be to ensure a monetary and interest rate environment that optimally balances the
objectives of financial stability, price stability and well-anchored inflation expectations, and
growth.” In the Vote-on-Account budget, the revised fiscal deficit was estimated at Rs. 3.26
trillion for F.Y. 09, much higher than the actual budgeted estimates of Rs.1.33 trillion. It has
estimated the fiscal deficit for F.Y. 09 to be at 6% (Budget Estimate: 2.5%) as against the 2.7% in
FY08. The fiscal deficit for FY10 is projected to be Rs.3.33 trillion (around 5.5% of GDP), largely
on account of larger than expected subsidies for food and fertilizer, a larger defense budget and
increased interest payment. The gross market borrowings in FY10 are likely to be much higher at
Rs.3, 62,000 Crore, and net borrowings to be around Rs.3,10,000 Crore.

Liquidity was comfortable in the first half of the year 2009 such that overnight rates after touching
a high of 15%, is currently hovering in the range of 2.3% - 3.3%. In the Annual Credit Policy
announced by RBI, Repo rate and reverse repo rate was reduced by 25 basis points each to 4.75
per cent and 3.25 per cent, respectively. The moves were aimed at spurring economic activity
and consumer demand. Bank rate and cash reserve ratio (CRR) kept unchanged at 6.0 per cent
and 5.0 per cent of NDTL, respectively. Real GDP growth estimated at 6.7per cent in 2009-10.

The comfortable liquidity conditions were also reflected in the current money market rates of 3
months to one year Commercial Paper (CP) and Certificate of Deposit (CD) yields hovering in the
range of 8.50% to 9.5% and 5.80% to 7.50% respectively. Source: RBI, 31 Mar 09

Going ahead, inflation is expected to decline further on high base effect, low oil prices (both
globally and locally) and low commodity prices, moderate demand. At the same time, the
moderation in the growth as reflected through IIP and GDP numbers favors more interest rate
cuts from the regulators.

In coming months, it is expected that yields in the debt market will get support from the RBI policy
actions, Open Market Operation (OMO) purchases and Market Stabilisation Scheme (MSS)
desequestering. Expectations of declining inflation, falling interest rate scenario, moderation in
credit growth, ample liquidity in the system and declining GDP growth will act as positive for the
market. G-Sec market will take further cues from OMO results and quantum and maturity
segment of the G-secs bought back in the OMO auctions.

**Future Outlook** - The Indian Mutual Fund Industry is one of the fastest growing sectors in the
Indian capital and financial markets with 38 Asset Management Companies currently operating in
the country (as on 31st March 09). Over the last few years, the mutual fund industry has grown at
a remarkable pace of 30 per cent CAGR per annum. The Total Average Industry Asset under
Management (AUM) is Rs 4, 93,194.77 Crore as on 31st March 2009. (Source – AMFI). The
mutual fund industry in India has seen dramatic improvements in quantity as well as quality of
product and service offerings in recent years.

According to KPMG India’s recent report released in June 09 industry AUM is likely to continue to
grow in the range of 15 to 25 percent from the period 2010 to 2015 based on the pace of
economic growth. In the event of quick revival and positive reinforcement of growth drivers
identified, KPMG in India is of the view that the Indian mutual fund industry may grow in the range
of 15 to 18 percent in the period from 2010 to 2015, resulting in AUM of Rs 15 lakh to 17 lakh
Crore in 2015.

3. **Brief background of Sponsors, Trust, Trustee Co. and AMC.**

**Reliance Capital Limited – Sponsor**
Reliance Mutual Fund is sponsored by Reliance Capital Limited. The Sponsor is the Settler of the
Mutual Fund Trust. Reliance Capital Asset Management Limited (RCAM) is a subsidiary of
Reliance Capital Limited (RCL), which holds 93.37% of the paid-up capital of RCAM, the balance paid up capital being held by minority shareholders. Reliance Capital Limited has interest in asset management and mutual funds, life and non-life insurance, private equity and proprietary investments, stock broking, and other activities in the financial services sector.

Reliance Mutual Fund

Reliance Mutual Fund (RMF) was set up as a Trust by the Settlers, Reliance Capital Limited on April 25, 1995 with Reliance Capital Trustee Co. Limited (the Trustee Company) as a Trustee in accordance with the provisions of the Indian Trust Act, 1882 and is duly registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated May 12, 1995 with Reliance Capital Asset Management Ltd. (the AMC) to function as the Investment Manager for all the Schemes of RMF. The agreement was amended on August 12, 1997 in line with SEBI (Mutual Funds) Regulations, 1996. RMF was registered with SEBI on June 30, 1995.

Reliance Capital Trustee Company

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

Reliance Capital Asset Management Limited

Reliance Capital Asset Management Ltd.(RCAM) is an unlisted Public Limited Company incorporated under the Companies Act, 1956 on February 24, 1995, having its registered office at "Reliance House", Near. Mardia Plaza, Off. C.G. Road, Ahmedabad, 380 006 and its Corporate Office at Express Building (4th/5th/6th floor), 14-E Road, Chuchgate, Mumbai 400020. RCAM has been appointed as the Asset Management Company of Reliance Mutual Fund by The Trustee vide Investment Management Agreement (IMA) dated May 12, 1995 and executed between Reliance Capital Trustee Co. Limited and Reliance Capital Asset Management Ltd. and amended on August 12, 1997 in line with SEBI (Mutual Funds) Regulations, 1996).

4. INVESTMENT OBJECTIVE OF THE SCHEME

Reliance Income Fund (An Open-ended Income Scheme): The primary investment objective of the scheme is to generate optimal returns consistent with moderate level of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt & Money Market Instruments.

Reliance Liquid Fund (An Open-ended Liquid Scheme): The primary investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity. Accordingly, investments shall predominantly be made in Debt and Money Market Instruments.

Reliance Medium Term Fund (An Open-ended Income Scheme with no assured returns): The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

Reliance Short Term Fund (An Open-ended Income Scheme): The primary investment objective of the scheme is to generate stable returns for investors with a short term investment horizon by investing in fixed income securities of a short term maturity.

Reliance Gilt Securities Fund (An Open-ended Govt. Securities Scheme): The primary investment objective of the scheme is to generate optimal credit risk-free returns by investing in a portfolio of securities issued and guaranteed by the Central Government and State Government.
Reliance Monthly Income Plan (An Open-ended Fund-Monthly Income is not assured & is subject to the availability of distributable surplus): The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

Reliance Floating Rate Fund (An Open-ended Liquid Scheme): The primary investment objective of the scheme is to generate regular income through investment in a portfolio comprising substantially of Floating Rate Debt Securities (including floating rate securitised debt, Money Market Instruments and Fixed Rate Debt Instruments swapped for floating rate returns). The scheme shall also invest in Fixed Rate Debt Securities (including fixed rate securitised debt, Money Market Instruments and Fixed Rate Debt Instruments swapped for fixed returns).

Reliance NRI Income Fund (An Open-ended Income Scheme): The primary investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly, investments shall predominantly be made in Debt Instruments.

Reliance Money Manager Fund (Open ended income scheme): The investment objective of the Scheme is to generate optimal returns consistent with moderate levels of risk and liquidity by investing in debt securities and money market securities.

Reliance Liquidity Fund (An Open-ended liquid scheme): The investment objective of the scheme is to generate optimal returns consistent with moderate levels of risk and high liquidity. Accordingly, investments shall predominantly be made in Debt and Money Market Instruments.

Reliance Regular Savings Fund (An open ended Scheme) Debt Option: The primary investment objective of this Option is to generate optimal returns consistent with moderate level of risk. This income may be complemented by capital appreciation of the portfolio. Accordingly investments shall predominantly be made in Debt & Money Market Instruments.

Reliance Interval Fund (A Debt Oriented Interval Scheme): The investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund - IV (A close–ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the scheme with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund - V (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund - VII (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund - VIII (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund - IX (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/ debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.
Reliance Fixed Horizon Fund – X (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

Reliance Fixed Horizon Fund – XII (A closed-ended income scheme): The primary investment objective of the scheme is to seek to generate regular returns and growth of capital by investing in a diversified portfolio of Central and State Government securities and other fixed income/debt securities normally maturing in line with the time profile of the plan with the objective of limiting interest rate volatility.

5. Significant Accounting Policies:

Accounting policies followed by Reliance Mutual Fund are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations 1996.

Unclaimed Dividend & Redemptions:

<table>
<thead>
<tr>
<th>Name of the Scheme</th>
<th>Unclaimed Dividend</th>
<th>Unclaimed Redemptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of investors</td>
<td>Amount (Rs.)</td>
</tr>
<tr>
<td>Reliance Income Fund</td>
<td>719</td>
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<tr>
<td>Reliance Medium Term Fund</td>
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<td>520,045.00</td>
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<tr>
<td>Reliance Monthly Income Fund</td>
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<tr>
<td>Reliance Floating Rate Fund</td>
<td>110</td>
<td>117,241.00</td>
</tr>
</tbody>
</table>

6. Statutory Information:

The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 Lakh for setting up the Fund, and such other accretions/additions to the same.

The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.

Full Annual Report shall be disclosed on the website (www.reliancemutual.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

For and on behalf of the Board of Trustees
Reliance Capital Trustee Co. Limited

Sd/-

A.N. Shanbhag  P.P. Vora
Director      Director

Date: June 26, 2009
Place: Mumbai