



## **Press Release**

# **Religare MF launches Religare Gold Exchange Traded Fund (ETF)**

**NFO Now Open; Closes: 23<sup>rd</sup> Feb, 2010**

**Mumbai, Jan 28<sup>th</sup>, 2010 :** Religare MF today announced the launch of its new fund '**Religare Gold ETF**' (An Open Ended Gold Exchange Traded Fund). The Scheme seeks to generate returns that closely correspond to the returns provided by investment in physical gold in the domestic market, subject to tracking error. The fund will be managed passively with investments in physical gold and will endeavor to track the performance and yield of its underlying asset viz. gold. Investments in physical gold will be made regardless of any investment merit. The fund intends to follow a fully invested approach and will have a minimum exposure of 90% of its assets in gold and gold bullion at all times. One unit of Religare Gold ETF will represent 1 gram of gold. The fund may buy and sell gold at different points of time during the trading session which may or may not correspond to the closing price of gold, maintain cash to meet its liquidity requirement, which may result in the Scheme having tracking error and to that extent the performance of the Scheme may not commensurate with the performance of its underlying asset. However, the fund manager will try and minimize the tracking error to the fullest extent possible. The fund is benchmarked to the Price of Gold.

Speaking on the occasion **Saurabh Nanavati, Chief Executive Officer, Religare Mutual Fund** said, "Investors keep asking whether this is the right time

to invest in Gold. From my perspective, Gold is a necessary allocation to everybody's portfolio to the tune of 5-10% of their portfolio. Gold is a hedge against inflation and a falling US dollar. Emerging markets like India are facing inflationary issues due to ample liquidity created by global central banks. As regards the US dollar, over a longer period with India and China GDP growth being in excess of 6%+ and US growth not expected to cross 2% in the near future, the dollar is bound to depreciate fairly sharply over the next 5 years against emerging market currencies. Gold will therefore, act as an insurance to retail investor portfolios.”

“Religare Mutual Fund would like to thank its 200,000+ investors for the faith shown in us in 2009. Religare Mutual Fund's Avg. Assets under Management jumped almost 4 fold in calendar year 2009 to Rs.15,800 crores. We intend to maintain our retail momentum. Our last 2 funds got in around 50,000 investors, and we hope that the Gold ETF will be well-received by investors and distributors. We are also focusing on aggressively increasing our broker empanelment which should increase from 13,000+ empanelled distributors to over 22,000+ in the next 2 months itself.”

### **Advantages of Investing in Religare Gold ETF**

- ✓ **Easily Accessible**
  - During NFO - Retail Investors can directly buy from the Fund House.
  - Post NFO - Units will be listed on NSE/ BSE. Investors can buy, sell through their normal brokerage accounts.
- ✓ **Cost Effective**
  - Cost much lower than the cost of buying, storing and insuring physical gold.
- ✓ **Liquid**
  - Not Limited to Secondary Market Trading at NSE / BSE.
  - Investors can create and redeemed units in a minimum lot size of 1000 units directly with the Fund House.
- ✓ **Physical Gold and Purity**
  - The underlying gold is held in the form of 1 kg bars.

- Gold held by the fund shall be of fineness (or purity) of 995 parts per 1000 (99.5%) or higher sourced from LBMA (London Bullion Market Association) approved refiners.
- ✓ **Transparent**
- NAV will be declared on a daily basis and portfolio on a monthly basis.

Investors can buy units of Religare Gold ETF directly from the Fund House during the New Fund Offer Period. Post the New Fund Offer Period; Units of Religare Gold ETF will be listed on National Stock Exchange / Bombay Stock Exchange. Investors can buy and sell units of Religare Gold ETF on the exchange through any registered broker.

The minimum application amount during NFO for retail investors is Rs.5,000/- and in multiples in of Re.1/- thereafter while for Authorized Participants and Large Investors the minimum application amount is Rs.15 lacs and in multiples of Re.1/- thereafter OR 1 KG gold per application and in multiples thereafter. Units will have face value of Rs.100 each and will be issued at a premium equivalent to difference between allotment price and face value during the NFO.

### **About Religare Asset Management**

With average assets under management of over **INR 158bn** (for December, 2009), expertise that extends across equity and fixed income investments, Religare Asset Management offers you a broad range of funds designed to suit your investment needs with an aim to provide best-in-class investment products across asset classes, regions and risk spectrum with high standards of customer service.

Religare Asset Management is promoted by Religare Securities Ltd. - a wholly owned subsidiary of Religare Enterprises Ltd., which is one of India's leading integrated financial services group offering services ranging from equities, commodities and insurance broking to wealth management, investment banking, portfolio management and personal financial services.

For more information, log on to [www.religaremf.com](http://www.religaremf.com)

## **About Religare Enterprises Limited**

A diversified financial services group with a pan-India presence and presence in multiple international locations, Religare Enterprises Limited (“REL”) offers a comprehensive suite of customer-focused financial products and services targeted at retail investors, high net worth individuals and corporate and institutional clients. REL, along with its joint venture partners, offers a range of products and services in India, including asset management, life insurance, wealth management, equity and commodity broking, investment banking, lending services, private equity and venture capital. Religare has also ventured into the alternative investments sphere through its holistic arts initiative and film fund. With a view to expand and diversify, REL operates in the life insurance space under ‘Aegon Religare Life Insurance Company Limited’ and has launched India’s first wealth management joint venture under the brand name ‘Religare Macquarie Private Wealth’. REL, through its subsidiaries, has launched India’s first holistic arts initiative – with a gallery -- as well as the first SEBI approved film fund, which is an initiative towards innovation and spotting new opportunities for creation and maximization of wealth for investors. REL operates from seven domestic regional offices, 43 sub-regional offices, and has a presence in 498 cities and towns controlling 1,837 business locations all over India as on June 2009.

To make a mark in the global arena, REL acquired UK-based Hichens, Harrison & Co. in 2008 which was subsequently re-named as Religare Hichens Harrison PLC (“RHH”). Hichens, Harrison & Co. was incorporated in London in the year 1803 and is believed to be one of the oldest firms of stockbrokers in the City of London. Pursuant to expansion of REL’s business, the company has grown from largely an equity trading company into a diversified financial services company. With the addition of RHH the REL group now operates out of multiple global locations, other than India, (the UK, the USA, Brazil, South Africa, Dubai and Singapore).

***Religare Enterprises Limited (“REL”) proposes, subject to receipt of requisite approvals, market conditions and other considerations, to make a rights issue of its equity shares to its existing shareholders and has filed a letter of offer (“LOF”) with the Bombay Stock Exchange Limited (“BSE”), the National Stock Exchange of India Limited (“NSE”, together with BSE, the “Stock Exchanges”) and the Securities and Exchange Board of India (“SEBI”). The LOF is available on the websites of the Stock Exchanges and SEBI at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.sebi.gov.in](http://www.sebi.gov.in), respectively, as well as on the website of the lead manager at [www.enam.com](http://www.enam.com). Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the section titled “Risk Factors” of the LOF.***

**Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the objective of Scheme will be achieved.** Investment in mutual fund units involve investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital. **As with any investment in securities, the**

**NAV of the units issued under Scheme may go up or down depending upon the factors and forces affecting the securities markets.** As the Scheme will invest primarily in physical gold, the NAV of the Scheme will react to the price of gold. The prices of gold may be affected by several factors such as demand and supply of gold in India and in the global market, change in political, economical environment and government policy, inflation trends, currency exchange rates, interest rates, perceived trends in bullion prices, restrictions on the movement/trade of gold by RBI, GOI, etc. Past performance of the Sponsor and its affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor that dividend will be paid regularly. Investors in the Scheme are not being offered any guaranteed / assured returns. **Religare Gold Exchange Traded Fund, an open-ended Gold Exchange Traded Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns.** **Investment objective:** To generate returns that closely correspond to the returns provided by investment in physical gold in the domestic market, subject to tracking error. **Asset Allocation Pattern:** Physical gold: 90%-100%. Debt & Money Market Instruments\*: 0%-10%.\* Investments in securitized debts can be made by the Scheme upto 10% of the net assets. **Load Structure: Entry Load: Nil. Exit Load: Nil. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) before investing.** SID, SAI and Key Information Memorandum cum Application Form are available at the ISC/Distributors. **Terms of Issue:** Offer for Units having face value of Rs. 100 each and will be issued at a premium equivalent to difference between the allotment price and face value during the New Fund Offer. After the closure of NFO, the Units of the Scheme will be listed on Stock Exchange(s) and the same can be purchased / sold in round lots of 1 Unit during the trading hours of the Stock Exchange(s) like any other publicly traded stock. In addition to purchase and sale of Units on Stock Exchange(s), Authorized Participants and Large Investors can directly subscribe to or redeem the Units of the Scheme with the Mutual Fund in Creation Units size at NAV based prices on all Business Days during an ongoing offer period. The NAV of the Scheme will be disclosed on all Business Days. **Statutory Details:** Religare Mutual Fund has been set up as a trust sponsored by Religare Securities Ltd. (liability restricted to Rs. 1,50,000) with Religare Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with Religare Asset Management Company Ltd. as the Investment Manager.

For more information, please visit - [www.religare.in](http://www.religare.in)

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