

**Plexus Management Services**  
**NFO Review: Reliance Small Cap**

<b>Offer Period</b>	26 <sup>th</sup> Aug 2010 to 09 <sup>th</sup> Sep 2010
<b>Scheme Type</b>	Open ended Midcap Equity
<b>Unit Price &amp; Subscription:</b>	Unit Price : Rs. 10 per unit: Subscription : Rs. 5000
<b>Load &amp; options.</b>	Entry Load: NIL; Exit Load: 2% If redeemed/switched out on or before completion of 12 months from the date of allotment of units.
<b>Fund Objective:</b>	To generate long term capital appreciation by investing predominantly in equity and equity related instruments of small cap companies and to generate consistent returns by investing in debt and money market securities.
<b>Benchmark:</b>	BSE Small Cap Index
<b>Fund Manager</b>	Sunil Singhanian

**Idea Distiller:**

A small cap provides, under current circumstances, investors an opportunity of making much more on investments compared to its larger capitalized peers. With the markets and the economy stabilizing, the fund house perhaps thinks it's the right time to have the fund to not only serve investor's appetite for higher risk products but also fill a gap in its portfolio of products.

**Asset allocation:**

Item	Percentage
Equity Related Securities of Small Cap:	65%-100%
Equity Related Securities of others:	0%-35%
Debt & Cash equivalent:	0%-35%

**Peer Scheme**

**DSPBR Small & Mid Cap**

**Track record:**

Management	Fund Manager
Risk: ★ ★ ★	Risk: ★ ★ ★
Return: ★ ★ ★ ★	Return: ★ ★ ★ ★

**Scheme DNA:**

Unique Idea:	★ ★ ★
Return Possibility	★ ★ ★ ★
Risk	★ ★ ★ ★
Opera ability/Complexity	★ ★ ★

**Comments:**

A fund clearly oriented to make maximum addition to the asset size and presenting an idea that is a little "Hatke" but hatke nevertheless. Small caps are well positioned to take the upside of the market as and when it happens and small caps are generally seen as the last participants but a vigorous participant in a bull run. Volatility in this fund would be rampant and the fund manager is likely to be forced to hold a larger number of scrips in the portfolio to downplay liquidity risks and concentration pressures. If the fund becomes successful, it's going to pose other major headaches but right now, perhaps the idea is to have a product that would specifically target the upside and take the volatility in its stride. If you are of stronger composition and resolve, this fund is your ticket. The high exit load is certainly a dampener but implies long term investors would be primarily investing in it and stay invested.

**Oomph appeal**

Pretty high considering the facts that its from the Reliance stable, a fund manager with very good performance and an idea for investing that has a very high chance of making money for its investors.

**I would buy.**