1. What is R-Model Portfolio?
   R-Model Portfolio is a tool as well as a service which combines the power of Securities Trading through a research based Model Portfolio Allocation to invest through Model Portfolio of stocks created by the Reliance Securities Research Team.
   **MODEL PORTFOLIO CREATION:** The Reliance Securities Research Team will suggest a carefully selected basket of stocks with the objective of generating returns above the benchmark, over a specific investment horizon.
   **MODEL PORTFOLIO INVESTMENT:** Reliance Securities customers will be able to select their desired Model Portfolio based on their risk appetite. The investor also has the option of aligning his existing demat holdings to the selected Model Portfolio.
   **MODEL PORTFOLIO REVIEW:** The Reliance Securities Research Team will conduct a periodic review (2nd month of every quarter) of the Model Portfolio and will remove or reduce the quantity of underperforming stocks. All clients will receive email notifications whenever a Model Portfolio is altered.

2. How does R-Model Portfolio feature work?
   The R-Model Portfolio feature essentially consists of selecting the right R-Model Portfolio by the customer and then specifying the units that the customer wishes to purchase. Thereafter the customer has the option to either INVEST through the Model Portfolio in case he/she has enough ledger balance to meet the investment amount or ALIGN his/her existing Demat holdings. A detailed step-wise working of the R-Model Portfolio feature is given below:

   **STEP-1 SELECT:** The customer will select the Model Portfolio in which he/she wishes to invest. The system will display the quantity to be purchased for each of the scrips in the basket as per the exposure assigned to the scrip and the price of a single basket. For e.g. If the price of a single basket of stocks is Rs. 1,00,000 and the exposure assigned to Infosys is 10%. If, the price of Infosys is Rs. 2500/- then 4 stocks of Infosys will be there in the Basket.

   **STEP-2 CALCULATE:** The customer will then select the number of baskets of the selected Model Portfolio he/she wishes to purchase. The system will calculate the amount required to be invested based on the price of a single basket. For e.g. In the above example; if the customer wants to purchase 5 baskets then the system will calculate that Rs. 5,00,000/- is required to be invested. As 5 baskets are being purchased, 20 stocks of Infosys will be there in the cumulative Basket.

   **STEP-3A**

   **INVEST:** The system will display a confirmation screen to the customer. Once the user confirms, subject to availability of Cash balance in the clients' ledger, market orders for the requested units of stocks in the R-Model Portfolio will be submitted to the Exchange.
The customer can view the order status of each of the stocks in the order log and upon successful execution; the same can be viewed in the trade log. The stocks will be delivered to the customer’s demat holdings as per the T+2 settlement cycle.

**STEP-3B**

**ALIGN:** On selecting the ALIGN option the system will run an automated program which will pull the stocks in the Demat holdings that are available for sale. Stocks will be pulled from Demat Holdings as per the following logic:

- Stocks in Demat which are not a part of the R-Model Portfolio selected by the customer.
- Stocks in Demat which are a part of the R-Model Portfolio but are in excess of the proportion specified in the R-Model Portfolio

The user will then have the flexibility to select the stocks from his existing demat holdings that he/she wishes to sell. The system will sell the stocks specified and confirmed by the client.

Thereafter, the user can invest through the new Model Portfolio subject to availability of cash balance in his/her ledger as specified in the INVEST option above.

3. **What is the minimum amount to be invested through R-Model Portfolio?**
   The minimum amount to be invested through R-Model Portfolio depends on the unit price of the Model Portfolio selected by the client. The unit price of the R-Model Portfolio is a function of the exposure and the market price of each of the stocks in the model Portfolio. For e.g., If a single basket of the Model Portfolio has 4 stocks of Infosys and 2 stocks of BHEL. Assuming that the Market price of Infosys is Rs. 2500/- and the market price of BHEL is Rs. 300/- then the unit price of the basket is Rs. 10,600. As the market price of Infosys and BHEL change during the day the price of the basket will change. So, if the price of Infosys changes to Rs. 2600/- and the price of BHEL changes to Rs. 350/-, then the price of the basket will change to Rs. 11,100. The price of a unit Model Portfolio displayed in the system changes with a delay of 5 minutes.

4. **Can all clients of Reliance Securities Limited avail this feature?**
   Yes, all Reliance Securities clients can avail this feature. Currently, this feature is available free of cost to all.

5. **Can I place R-Model Portfolio Order based on collaterals available?**
   Yes, R-Model Portfolio Orders will be passed on basis of exposure available on Ledger Cash + approved Collaterals. For e.g., if the client has demat holdings and if he does not have enough cash, he can still pass orders through R-Model Portfolio. But, if the client’s ledger goes into Debit and then the client has to pay the balance amount on T+1 day, or else delayed payment charges will be levied at 18% per annum for brokerage customers and 21% for limit card customers.
6. **Can I place a Limit Order under R-Model Portfolio?**
   You can only place Market Orders while buying through the R-Model Portfolio. However, when aligning the existing demat holdings, you can place Limit Orders while selling the existing stocks.

7. **In which Exchanges can I place the R-Model Portfolio Order?**
   If a stock is listed on both NSE and BSE, then the system will display NSE by default. If you want, you can change the exchange to BSE. If a stock is listed on BSE only, then the system will display BSE as the Exchange.

8. **What are the advantages of investing though R-Model Portfolio?**
   - Arrangement of stocks in different criteria according to price, industry/sector, growth rate, market capitalization, profit goals etc.
   - Invest in a basket of stocks.
   - Ability to easily align your existing Demat holdings to the R-Model Portfolio.

9. **Do I need to have sufficient cash in my ledger for placing R-Model Portfolio Order?**
   As R-Model Portfolio orders are placed under CnC (Cash n Collateral) product type, the system will check whether you have sufficient delivery limits available to place the order (Cash + approved collaterals).

10. **If I don’t have enough cash in my ledger can I align my demat holdings to R-Model Portfolio?**
    Yes, you can align your demat holding to R-Model Portfolio even without any cash in your ledger. However the system will not allow you to invest through the new Model Portfolio unless the sell orders of your demat holdings have been executed and your delivery limits have been updated and are sufficient to purchase the R-Model Portfolio.

11. **Can I place R-Model Portfolio Orders at any time during the day?**
    Yes. R-Model Portfolio orders can be placed anytime during the day like a normal CnC order.

12. **Can I place R-Model Portfolio Orders through Call&Trade facility?**
    No. You cannot place R-Model Portfolio order using Call&Trade facility.

13. **Where can I view the orders that I have placed?**
    Once you have confirmed the Order placement under R-Model Portfolio you can view the Order status in the Order log.

14. **Where can I view the orders that have been executed?**
    Once the order has been executed the same can be viewed in the trade log.
15. How is the R-Model Portfolio price calculated?
The Reliance Securities Research team will come up with a Model Portfolio by selecting stocks from a variety of sectors such that the risk is reduced due to diversification. The benefits of generating returns above the benchmark over a specific investment horizon are thus achieved. Each Model Portfolio will have 10-30 stocks with no stock having more than 10% exposure in the overall Model Portfolio. The weight of each of the stocks as a percentage of the overall Model Portfolio will be specified at the time of Model Portfolio initiation. For e.g. If there are 3 stocks in the Model Portfolio with the following exposures then the Model Portfolio Unit Price is arrived at by multiplying the quantity of each of the stocks in the basket by the Stock price.

<table>
<thead>
<tr>
<th>STOCK</th>
<th>STOCK PRICE</th>
<th>APPROX EXPOSURE</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFOSYS</td>
<td>2500</td>
<td>50%</td>
<td>20</td>
</tr>
<tr>
<td>CIPLA</td>
<td>300</td>
<td>25%</td>
<td>83</td>
</tr>
<tr>
<td>HUL</td>
<td>350</td>
<td>25%</td>
<td>71</td>
</tr>
</tbody>
</table>

**MODEL PORTFOLIO UNIT PRICE** – Rs. 99,750

The system calculates the quantity based on the stock price and the exposure of the stock in the Model Portfolio. Accordingly the quantity will change based on the market price of the stock.

The price gets updated with a delay of 5 minutes.

16. How frequently will the R-Model Portfolio be reviewed?
The R-Model Portfolio is prepared with an investment horizon of 1-5 years and the stocks are chosen on their fundamental performance for the specified investment horizon. Hence the Model Portfolio is not subject to frequent churning. Our Research Team will conduct a periodic review (2nd month of every quarter) of the model Portfolio and in case a specific stock in the Model Portfolio has outperformed or underperformed then such stocks may be exited from the Model Portfolio and new stocks will be introduced in their place or the stock's exposure in the Model Portfolio may be reduced.

For e.g. In case 1 month from the date of Model Portfolio initiation, the exposure on Infosys is reduced to 40% and the exposure on Cipla and HUL is increased to 30% each. The system will calculate the quantity based on the stock price as below:

<table>
<thead>
<tr>
<th>STOCK</th>
<th>STOCK PRICE</th>
<th>APPROX EXPOSURE</th>
<th>QUANTITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFOSYS</td>
<td>2800</td>
<td>40%</td>
<td>14</td>
</tr>
<tr>
<td>CIPLA</td>
<td>280</td>
<td>30%</td>
<td>107</td>
</tr>
<tr>
<td>HUL</td>
<td>320</td>
<td>30%</td>
<td>94</td>
</tr>
</tbody>
</table>

**MODEL PORTFOLIO UNIT PRICE** – Rs. 99,240
17. Is this facility offered on all scrips?
This facility is currently offered only on scrips which are included in the Model Portfolio created by the Reliance Securities Research team.

18. What would be the brokerage payable on scrips purchased under R-Model Portfolio?
There is NO change in the brokerage rates for your normal Cash transactions and orders placed using R-Model Portfolio.

19. Can I cancel orders placed using R-Model Portfolio?
It is advisable that you don’t cancel the orders placed using R-Model Portfolio. However after having placed the order, you can cancel orders which have not yet been executed from the Order log.

Disclaimer:

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