

Reliance Nippon Life Floats 3 AIFS to Raise at least ₹1,500 Cr

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Mumbai: Anil Ambani-controlled Reliance Nippon Life Asset Management has floated three alternative investment fund schemes to raise at least ₹1,500 crore to tap India's potential in real estate, financial services and the aspirations of its youth, said two people with knowledge of the matter.

While investors can expect returns in the high teens, the investment horizon is about three to five years, one person said. There are also caps on single stock investments.

The new funds aim to attract wealthy investors and family businesses with a minimum investment of about ₹1 crore.

"Wealthy investors are increasingly realising the benefit of this category and we have seen investor acceptance for this rapidly growing, evolving and dynamic industry (alternative investment fund)," said Shahzad Madon, Head-PMS-Alternative Assets, at Reliance Nippon Life Asset Management.

Madon declined to comment on the collective fund size. A market source said the total may go up to ₹3,000

crore, including the oversubscription option.

"India's consumption, financials and housing sector envisage huge potential amid the country's growth prospects," Madon said. "A relatively young population will further add to their fortune. Tapping this pool, we endeavour to deliver significant outperformance."

The plans, which are open for subscription, are Reliance Yield Maximiser AIF - Scheme 4, Reliance Equity Opportunities AIF - Scheme 2 and Reliance Equity Opportunities AIF - Scheme 3.

The first one, Maximiser, aims to participate in the new real estate regime and will deploy funds in mid-market or low-cost housing projects. The second plan will invest in close to two dozen stocks of companies in financial services, including insurance, asset management and banking businesses.

Scheme 3 will participate in India's millennial opportunity, betting on companies with more than ₹500 crore in market capitalisation that are popular with those born in the early 1980s, such as food and beverages, education, hotel and leisure.