

# ESCORTS MUTUAL FUND

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## ADDENDUM – I/2009

Applicable to following schemes :

**Escorts Income Bond**, an open ended income scheme has the investment objective to generate current income by investing predominantly in a well-diversified portfolio of Fixed Income securities with moderate risk levels.

**Escorts Income Plan**, an open ended scheme, with the investment objective to generate current income by investing predominantly in a well-diversified portfolio of Fixed Income securities with moderate risk levels.

**Escorts Tax Plan**, an open-ended Equity Linked Savings Scheme, with the investment objective to generate capital appreciation by investing predominantly in a well-diversified portfolio of Equity Shares with growth potential.

**Escorts Opportunities Fund**, an open ended Scheme with the investment objective to generate long term capital appreciation by predominantly moving investments in a portfolio of equity and equity related securities amongst different sectors, present or future, expected to show high earnings such as Technology Sector, Media Sector, Entertainment Sector, Communications Sector, FMCG Sector, Pharmaceuticals Sector, Cyclical Sector, Real Estate Sector, Space Sector, Cybercity Sector etc.

**Escorts Balanced Fund**, an open-ended balanced scheme, with the investment objective to generate long term capital appreciation and current income from a portfolio of equity & fixed-income securities.

**Escorts Growth Plan**, an open-ended growth scheme, with the investment objective to generate capital appreciation by investing predominantly in a well-diversified portfolio of Equity Shares with growth potential.

**Escorts Gilt Plan**, an open-ended income scheme, with the investment objective to generate of income and capital appreciation through investments in government securities market. The aim is to generate returns commensurate with minimal credit by investing in securities created and issued by the Central Government and / or a State Government and / or repos / reverse repos in such government securities as may be permitted by RBI.

**Escorts High Yield Equity Plan**, an open-ended growth scheme, with the investment objective to generate income by investing predominantly in well diversified portfolio of equity stocks providing high dividend yield but at the same time capture long term capital appreciation as and when the opportunity arises. This long term style of investment tries to locate, in a disciplined manner, shares, which for a variety of reasons are selling at prices which are substantially lower than the company's actual business value or future earnings potential, and are also yielding a higher than normal dividend yield. These companies would be backed by stable earnings in the past while offering fair growth potential in the future.

**Escorts Leading Sectors Fund**, an open-ended growth scheme, has the investment objective to provide capital appreciation or income distribution by investing in companies from Leading Sectors, depending upon their growth prospects and sustainability of future earnings growth.

**Escorts Power & Energy Fund**, an open-ended growth scheme, has the investment objective to provide income distribution and / or medium to long-term capital gains by investing predominantly in equity/equity related instruments of the companies in the Power/ Energy Sector and /or Debt/Money Market Instruments.

## **CHANGE IN LOAD STRUCTURE**

1. Following shall be the load structure in case of Escorts Growth Plan, Escorts High Yield Equity Plan, Escorts Leading Sectors Fund and Escorts Power & Energy Fund with effect from 10<sup>th</sup> January, 2009 :

Entry Load : - 2.25% (Nil for direct applications)

Exit Load :

- a. If the amount is withdrawn  $\leq$  6 months - 1.00%.
  - b. If the amount is withdrawn after 6 months and upto 1 year ( $>$  6 months and  $\leq$  1year) - 0.50%.
2. Following shall be the load structure in case of Escorts Opportunities Fund with effect from 10<sup>th</sup> January, 2009 :

Option A

Minimum Investment Amount –

Rs. 1,000/- : Growth Option & Dividend Re-investment Option

Rs. 30,000/- : Dividend Option

Additional Investment Amount – Rs. 1,000/-

Entry Load – 1.25% (Nil for direct applications)

Exit Load – 1% if redemption  $\leq$  365 days of allotment.

Option B

Minimum Investment Amount – Rs. 50,000/-

Additional Investment Amount – Rs. 10,000/-

Entry Load – NIL

Exit Load – 1% if redemption  $\leq$  365 days of allotment.

## **CHANGE IN TERMS OF SYSTEMATIC INVESTMENT PLAN / INTRODUCTION OF AUTO DEBIT (ECS) FORM**

Auto Debit (ECS) Form facility is being introduced in Escorts Mutual Fund.

Following shall be the terms of Systematic Investment Plan (SIP) under Escorts Income Bond, Escorts Income Plan, Escorts Tax Plan, Escorts Opportunities Fund, Escorts Growth Plan, Escorts Gilt Plan, Escorts Balanced Fund, Escorts High Yield Equity Plan, Escorts Leading Sectors Fund and Escorts Power & Energy Fund with effect from 10<sup>th</sup> January, 2009 :

1. Minimum Investment Amount  
Monthly Option - Rs. 1,000/- per month subject to minimum 6 installments.  
Quarterly Option - Rs. 1,500/- per quarter subject to minimum 4 installments.

However, for SIP under Escorts Opportunities Fund, the minimum and additional amounts applicable under various options shall be as given above under Option A and Option B.

2. SIP Dates – 1<sup>st</sup>, 10<sup>th</sup> and 25<sup>th</sup> of every month.
3. Registration of SIP – SIP to be registered by the investors with Escorts Mutual Fund atleast 30 clear days before the first SIP date.
4. Validity of SIP – As indicated by the investors in the application form against SIP Start Date and SIP End Date. If SIP End Date is not filled the SIP Auto Debit will be considered perpetual till further instructions are received from the investor.
5. Termination of SIP – If 3 consecutive SIPs fail, the SIP will be automatically terminated without any notice to investors. However, in case the investor gives in writing to discontinue SIP, the instructions must reach Escorts Mutual Fund atleast 20 clear days from the next SIP date.

All other terms and conditions of the schemes will remain unchanged.

This addendum forms an integral part of the Offer Documents of Escorts Mutual Fund as amended from time to time.

Addendum dated 05.01.2009.

**Statutory Details :** Escorts Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882 with Escorts Finance Ltd. as its sponsor/settlor and Escorts Investment Trust Ltd. as its sole Trustee. Escorts Asset Management Ltd. has been incorporated under the provisions of the Companies Act, 1956 and has been appointed as the investment manager of Escorts Mutual Fund. **Risk Factors :** All Mutual Funds and securities investments are subject to market risks and there is no assurance and no guarantee that the Fund's objectives will be achieved. As with any investment in stocks and shares, the Net Asset Value (NAV) of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the capital markets such as price and volume volatility in stock markets, interest rates, currency exchange rates, change in Government policies, taxation, political or economic developments and closure of stock exchanges, liquidity and settlement systems in equity and debt markets. Past performance of the Sponsor / Asset Management Company / Mutual Fund does not guarantee the future performance of the schemes of the Mutual Fund. Escorts Income Bond, Escorts Income Plan, Escorts Tax Plan, Escorts Opportunities Fund, Escorts Gilt Plan, Escorts Growth Plan, Escorts Balanced Fund, Escorts High Yield Equity Plan, Escorts Leading Sectors Fund and Escorts Power & Energy Fund are only the names of the Schemes and do not in any manner indicate either the quality of the Scheme or its future prospects and returns. Please read the Offer Documents before investing.

