

# ESCORTS MUTUAL FUND

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## ADDENDUM – II/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, has been performing consistently well.

**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, has been performing considerably well.

**Escorts Opportunities Fund**, an open ended Scheme has 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 scheme, has 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, has 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, has 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 Liquid Plan**, an open-ended liquid scheme, has the investment objective to provide income and liquidity consistent with the prudent risk from a portfolio comprising of money market and debt instruments. This income may be complemented by possible capital appreciation. The aim is to optimize returns while providing liquidity.

**Escorts Floating Rate Fund**, an open-ended income scheme, has the investment objective to generate regular income through investment in a portfolio comprising substantially of Floating Rate Debt Securities (including floating rate securitised debt, Money Market Instruments and Fixed Rate Debt Instruments swapped for floating rate returns). The scheme shall also invest in Fixed rate debt Securities (including fixed rate securitised debt, Money Market Instruments and Floating Rate Debt Instruments swapped for fixed returns).

**Escorts High Yield Equity Plan**, an open-ended growth scheme, has 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 Infrastructure Fund**, a 5 year close ended equity scheme with an automatic conversion into an open ended scheme on expiry of 5 years from the date of allotment, has the investment objective to provide income distribution and / or medium to long term capital gains by investing predominantly in equity/equity related instrument of the companies in the infrastructure sector.

**Escorts Fixed Maturity Plan**, a close ended fixed term income scheme comprising there-under 13 month investment Plan seeking to generate regular income through investments in Debt / Money Market Instruments and Government Securities. It offers Institutional Plan (with Growth and Dividend Option) and Retail Plan (with Growth Option and Dividend Option).

**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.

### **CHANGES IN KEY PERSONNEL OF ESCORTS MUTUAL FUND**

The name of Mr. Anil Kataria has been deleted from the list of Key Personnel following his resignation from the organization.

### **CHANGES IN ADDRESSES OF CERTAIN OFFICIAL POINTS OF ACCEPTANCE OF TRANSACTIONS FOR ESCORTS MUTUAL FUND**

Investors / Unit holders are advised to take note of the following changes in addresses of certain Investor Service Centres (ISCs) of Escorts Asset Management Limited, which will be the official points of acceptance of transactions for Escorts Mutual Fund Schemes:

<p>1. Escorts Mutual Fund SAKAR 5, 602, 6<sup>th</sup> Floor, Behind Natraj Cinema, Ashram Road, Ahmedabad - 380014 Ph : 9327050566; 9879134342; 079-26582036</p>	<p>3. Escorts Asset Management Limited 132B/28, Anant Raj Plaza Complex, Shop No - 6, MG Marg, Allahabad - 211001 Ph : 9838037901</p>
<p>2. Escorts Asset Management Ltd. Unit No. 401, 4<sup>th</sup> Floor No. 12, Richmond Tower, Richmond Road, Bangalore - 560025 Ph : 9972421234; 080-41145216</p>	<p>4. Bhopal – Ph : 9303460739</p> <p>5. Escorts Asset Management Ltd. GB – 10, City Centre, Sector 4, Bokaro Steel City, Jharkhand - 827004 Ph : 9334171028; 9835772583</p>

<p>6. Escorts Asset Management Ltd. Arihant Plaza, Shop No. - 6, Ground Floor, B-15, Saheed Nagar, Bhuwaneshwar (Orissa) - 751007 Ph : 9861090234; 0674-2540106</p> <p>7. Escorts Asset Management Ltd. SCO - 50-51, Sector - 17 A, First Floor, Chandigarh - 160017 Ph : 9878667845; 9316469988, 0172-5078626</p> <p>8. Gurgaon – Ph : 9899431879; 9999967924</p> <p>9. Escorts Asset Management Ltd. 2<sup>nd</sup> Floor, Kataria Bhawan M I Road, Jaipur - 302001 Ph : 9314519533; 0141-2366160</p> <p>10. Escorts Asset Management Ltd. Exchange Building, Shop No 17B, 18, Mezzanine 1st Floor, 1<sup>st</sup> Chopasani Road, Jodhpur-342001 Ph : 9829212716; 0291-2652716</p> <p>11. Escorts Asset Management Ltd. SCO - 98, 2<sup>nd</sup> Floor, Mugal Canal Market Karnal - 132001 Ph : 9255734734</p> <p>12. Escorts Asset Management Ltd. Chitrahah , 2<sup>nd</sup> Floor, 3 Nawal Kishore Road, Lucknow - 226001 Ph : 9838477778; 0522-3261208; 9918101099</p> <p>17. Escorts Asset Management Ltd. PMR Business Centre, Office No-203, 2<sup>nd</sup> Floor, Laxmi Bhuwan Square, Dharampeth, Nagpur - 440030 Ph : 9881122258; 0712-3298041</p> <p>18. Escorts Asset Management Ltd. 114-B Ashoka Place, Exhibition Road, Patna - 800001 Ph : 9835066510; 9334179682 9308398877; 0612-2500340</p> <p>19. Siliguri – Ph : 9933049191; 9832007082</p> <p>20. Escorts Asset Management Ltd. B-21/2A, Chinatown Kamaksha, Nr. Rathyatra Crossing Complex, Varanasi (U.P) - 221010 Ph : 9839125720</p>	<p>11. Escorts Asset Management Ltd. Shop-No-23, 1<sup>st</sup> Floor, Rohini Plaza 11-E, Rajpur Road, Dehardun, Uttaranchal - 248001 Ph : 9927700144; 0135-2650142</p> <p>12. Escorts Asset Management Ltd. Post Office, Escorts Nagar Building, 1<sup>st</sup> Floor, Near Escorts Plant-1, Main Mathura Road, Faridabad -121005 Ph : 9899431879; 9312667457; 0129-4142810</p> <p>13. Escorts Asset Management Ltd. Kamani Centre, Shop-No-119, 3<sup>rd</sup> Floor, Bistupur Jamshedpur-831001 Ph : 9709169223; 0657-2321909</p> <p>14. Escorts Asset Management Ltd. Office No-311, 3<sup>rd</sup> Floor, KAN Chambers, 14/113, Civil Lines Kanpur - 208001 Ph : 9838427271; 0512-2333405</p> <p>15. Escorts Asset Management Ltd. Crescent Tower 1<sup>st</sup> Floor, 229, AJC Bose Road, Kolkata - 700020 Ph : 9903494381; 9903777463; 033-40036013</p> <p>16. Escorts Asset Management Ltd. Room No. 1B - 1, Mezzanine Level, 20 Raja Bahadur Mansion, Ambalal Doshi Marg, Hamam Street Behind BSE, Fort, Mumbai - 400023. Ph : 9769892969; 022-22626595</p> <p>23. Escorts Asset Management Ltd. Shop No - 76, 1<sup>st</sup> Floor, Ansal Fortune Archade, Sector-18, NOIDA - 201301 Ph : 9899431879; 9999967924; 120-4243601</p> <p>24. Escorts Asset Management Ltd. Global Trade Centre, Office No - 8 1/1, Rambaug Colony LBS Road, Navi Peth Pune - 411030 Ph : 9890809099, 9890571038, 020-24335460</p> <p>25. Escorts Asset Management Ltd. Office No. - 215, 2<sup>nd</sup> Floor Siddhartha Complex, R. C. Dutta Road, Alkapuri, Vadodra, Gujrat - 390007 Ph : 9974144904; 0265-3249118; 9327050566</p>
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**SYSTEMATIC INVESTMENT PLANS UPTO RS. 50,000/- EXEMPT FROM PAN – (SEBI letter no. MRD/DoP/PAN/PM/A66999/2009 dated 19.06.2009)**

Investments in Systematic Investment Plans in schemes of Escorts Mutual Fund upto Rs. 50,000/- per year per investor is exempted from the requirements of PAN.

**EMPOWERING INVESTORS THROUGH TRANSPARENCY IN PAYMENT OF COMMISSION AND LOAD STRUCTURE (SEBI Circular: SEBI/IMD/CIR NO. 4/ 168230/09 dated 30.06.2009) :**

- a) There shall be no entry load for all schemes of Escorts Mutual Fund.
- b) The upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.
- c) Of the exit load or CDSC charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the scheme immediately.

This shall be applicable for :

- a. Investments in schemes of Escorts Mutual Fund (including additional purchases and switch-in to a scheme from other schemes) with effect from August 1, 2009;
- b. Redemptions from schemes of Escorts Mutual Fund (including switch-out from other schemes) with effect from August 1, 2009 ;
- c. Systematic Investment Plans (SIP) registered on or after August 1, 2009.

**LOAD STRUCTURE, MINIMUM INVESTMENT, INVESTMENT OPTION**

Scheme Name	Minimum Investment Amount (Rs.)	Investment Options	Additional Investment Amount (Rs.)	Entry Load	Exit Load
Escorts Growth Plan, Escorts High Yield Equity Plan, Escorts Leading Sectors Fund, Escorts Power & Energy Fund	1000	None	1000	NIL	1% If Exit < =2 Years, NIL If Exit After 2 Years
Escorts Balanced Fund	1000	None	1000	NIL	1% If Exit < =2 Years, NIL If Exit After 2 Years
Escorts Opportunities Fund	1000 – Growth & Dividend Reinvestment, 30000 for Dividend Payout	None	1000	NIL	1% If Exit < =2 years, 0.50% If Exit > 2 years & < =3 Years NIL If Exit After 3 Years
Escorts Tax Plan	500	None	500	NIL	Lock in 3 years as per ELSS provisions
Escorts Income Plan, Escorts Income Bond, Escorts Gilt Plan	1000	None	1000	NIL	0.50% If Exit < = 6 Months Nil If Exit After 6 Months
Escorts Liquid Plan, Escorts Floating Rate Fund	1000	None	1000	NIL	NIL

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

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

Addendum dated 20.07.2009

**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 Fixed Maturity 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 Scheme Information Documents before investing.

