

ESCORTS MUTUAL FUND

11, Scindia House, Connaught Circus, New Delhi – 110 001.

Tel : (011) 43587415, 43587420, 43587423 Fax : (91) 11 43587432

Website : www.escortsmutual.com E-mail : help@escortsmutual.com

ADDENDUM – III/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 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

Mr. Rajesh Sharma, Chief Investment Officer of all schemes of Escorts Mutual Fund has resigned from the services of Escorts Asset Management Ltd. with effect from the close of business hours on 11th September, 2009 and hence he ceases to be a Key Personal.

REVISED LOAD STRUCTURE – effective from 15.09.2009

Scheme Name	Minimum Investment Amount (Rs.)	Entry Load	Exit Load
Escorts Growth Plan, Escorts High Yield Equity Plan, Escorts Leading Sectors Fund, Escorts Power & Energy Fund	1000	NIL	1% If Exit < = 1 Year, NIL If Exit After 1 Year
Escorts Balanced Fund	1000	NIL	1% If Exit < = 1 Year, NIL If Exit After 1 Year
Escorts Opportunities Fund	1000 – Growth & Dividend Reinvestment, 30000 for Dividend Payout	NIL	1% If Exit < = 1 Years, NIL If Exit After 1 Year
Escorts Tax Plan	500	NIL	Lock in 3 years as per ELSS provisions
Escorts Income Plan, Escorts Income Bond, Escorts Gilt Plan	1000	NIL	0.50% If Exit < = 6 Months Nil If Exit After 6 Months
Escorts Liquid Plan, Escorts Floating Rate Fund	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 18.09.2009

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 Infrastructure Fund, 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.

