

ESCORTS MUTUAL FUND

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ADDENDUM – III/2010

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 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.

ESCORTS LIQUID PLAN AND ESCORTS FLOATING RATE FUND – (w.e.f. 01.10.2010)

The minimum outstanding folio value for Daily, Weekly, Monthly Dividend Options will be => Rs. 1,00,000/- (One Lac).

In case the folio value of existing investment falls below Rs. 1 Lac (on account of part redemption or NAV) the folio will be converted to Growth Option.

Growth Option remains the default option if the Dividend/Growth Option is not ticked by the investor/s or investor/s opt/s for dividend where the application amount or folio value is less than Rs. 1 Lac.

NEW ADDRESS OF KOLKATA BRANCH

Escorts Mutual Fund
Martin Burn House, 3rd Floor, Room No. 320,
1 R. N. Mukherjee Road,
Kolkata - 700001.

CHANGES IN KEY PERSONNEL OF ESCORTS MUTUAL FUND

Ms. Surabhi Chaddha has joined as Fund Manager – Debt of all schemes of Escorts Mutual Fund with effect from the start of business hours on 1st September, 2010 and hence she is a Key Personnel in place of Mr. Sanjeev Sharma who resigned from the services of Escorts Asset Management Ltd.

TRANSFERIBILITY OF MUTUAL FUND UNITS

In order to facilitate transferability of units of mutual funds held in one demat account to another demat account, units of all mutual fund schemes held in demat form shall be freely transferable from the date of the issue of this addendum. However, restrictions on transfer of units of ELSS schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines.

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 17.09.2010

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 Fund and securities investments are subject to market risks and there is no assurance and no guarantee that the Fund's objectives will be achieved. All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending on the factors and forces affecting the securities markets** such as price and volume volatility in stock markets, interest rates, currency exchange rates, change in Government

Policies, taxation, political or economic development 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, Escorts Infrastructure 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.

