

## ESCORTS MUTUAL FUND

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### ADDENDUM – IV/2011

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 Short Term Debt 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.

**Escorts Fixed Maturity Plan – Series II**, a close ended 375-days income scheme, has the investment objective to generate regular income through investments in Debt / Money Market Instruments and Government Securities, which mature on or before the date of maturity of the Scheme.

#### **DEMATERIALIZATION OF UNITS**

Pursuant to SEBI Circular dated 19th May, 2011, No CIR/IMD/DF/9/2011, w.e.f 1st October, 2011 Escorts Mutual Fund has provided the option to unitholders to hold units in Dematerialised ("Demat") form while subscribing to the Units of all the schemes of the Mutual Fund, in addition to the existing option of holding Units in physical form by way of an account statement. The option to hold units in Demat form is available for all the schemes of the Fund except for subscriptions through Systematic Investment Plan (SIP) and for plan/options where the dividend distribution frequency is less than one month. Unit Holders opting to hold the Units in Demat form must provide their Demat Account details in the specified section of the Application Form.

**Account statements for Units held in Demat form:** In case of Units held in demat form, the Unit Holder will receive the holding statement directly from the respective DP at such frequency as may be defined in the Depositories Act or regulations or on specific request.

#### **CONSOLIDATED ACCOUNT STATEMENT (CAS)**

- Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendment thereto read with SEBI Circular No. Cir/IMD/DF/16/2011 dated 8<sup>th</sup> September, 2011, the investors whose transaction(s) has been accepted by the AMC/Mutual Fund on or after 1<sup>st</sup> October, 2011 will receive confirmation specifying the number of units allotted by way of E-mail and or/SMS on their registered E-mail address and/or mobile number within 5 business days from date of receipt of transaction(s) request.

- Thereafter a Consolidated Account Statement (CAS) will be sent for each calendar month to the investors in whose folios transaction(s) has/have taken place during that month on or before 10<sup>th</sup> day of the succeeding month detailing all the transactions and holding at the end of the month across all the schemes of all Mutual funds including the transaction charges paid to the distributors.

The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

- For the purpose of sending CAS, Common Investors across Mutual funds shall be identified by their Permanent Account Number (PAN).

- In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/Account statement.

- Further a CAS every half yearly (September/March) will be issued, on or before 10<sup>th</sup> day of succeeding month, detailing holding at the end of the six month, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.

### **MAILING OF ANNUAL REPORT OR ABRIDGED SUMMARY**

Pursuant to Regulation 56 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/IMD/DF/16/2011 dated 8<sup>th</sup> September, 2011, pertaining to the mailing of annual report and/or abridged summary thereof, the scheme wise annual report or an abridged summary hereinafter shall be sent by the AMC/Mutual Fund as under:

(i) By E-mail to the Unit holders whose e-mail address is available with the Fund,

(ii) In physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted/requested for the same.

The physical copy of the scheme wise annual report or abridged summary will be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary will be displayed prominently on the website of Escorts Mutual Fund.

#### Applicable to following scheme :

**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.

### **CHANGE IN LOAD STRUCTURE**

Following shall be the load structure in case of Escorts Income Plan with effect from 1<sup>st</sup> October, 2011 :

Exit Load – 1% if redemption < = 1 year from date of allotment.

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

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

Addendum dated 15.09.2011

**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 Power & Energy Fund, Escorts Short Term Debt Fund, Escorts Liquid, Escorts Infrastructure Fund and Escorts Fixed Maturity Plan – Series II 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 all the Scheme related Documents before investing.

