

ESCORTS MUTUAL FUND

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ADDENDUM – VI/2012

NOTICE-CUM-ADDENDUM TO THE SCHEME INFORMATION DOCUMENT / KEY INFORMATION MEMORANDUM OF SCHEMES OF ESCORTS MUTUAL FUND

Introduction of Direct Plan for Investing Directly with the Fund (Applications Not Routed Through Distributors)

NOTICE is hereby given that in accordance with Para D titled “**Separate Option for direct investments**” under Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), Escorts Investment Trust Limited, Trustee to Escorts Mutual Fund (“**Fund**”), has decided to introduce a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder (“**Distributor**”) (hereinafter referred to as “**Direct Plan**”) with effect from **January 1, 2013** (“**Effective Date**”) as under:

1. **Introduction of Direct Plan:** Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.
2. **Scheme eligibility:** Direct Plan shall be introduced in the following schemes of Escorts Mutual Fund:
 - (a) all open-ended schemes of the Fund;
 - (b) New Fund Offer of Fixed Maturity Plans under close-ended schemes of the Fund launched after the Effective Date.(hereinafter collectively referred to as “**the Schemes**”).
3. **Plans / Options / Sub-options:** All Plans / Options / Sub-Options offered under the Schemes (“**Existing Plan**”) will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be 2 Plans available for subscription under the Schemes viz., Existing Plan and Direct Plan. Portfolio of the Scheme under the Existing Plan and Direct Plan will be common.
4. **Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Existing Plan and the Direct Plan except that:
 - (a) No exit load shall be charged for any switch between Regular Plan and Direct Plan where the transaction has been received without broker code in the Regular Plan. In case of transaction that has been received through broker code in the Regular Plan, AMCs shall decide on the load structure, if any, and inform the investors suitably.
 - (b) Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.
5. **Applicable NAV and allotment of units:**

For Liquid Scheme where previous day NAV is applicable, 31st December NAV will be applicable. For other transactions NAV applicability will be as on the date of receipt or date of clear funds as the case may be.

The starting NAV for the Direct Plan would not be at par, but at the same NAV of Regular Plan on the day of first purchase in Direct Plan.

Where SIPs are registered without broker code in the Regular Plan the future installments shall be processed in the Direct Plan.

6. **Eligible investors / modes for applying:** All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Schemes are eligible to subscribe under Direct Plan.
7. **How to apply:** Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” against the Scheme name in the application form e.g. “**XYZ Equity Fund – Direct Plan**”. Investors should also indicate “Direct” in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code or “Direct” mentioned in the ARN Column, the application will be processed under Direct Plan.
8. **Redemption requests:** Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.
9. **Tax consequences:** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

All other terms & conditions of the Schemes will remain unchanged.

This addendum shall form an integral part of the Scheme Information Document /Key Information Memorandum of the Schemes of the Fund as amended from time to time.

For Escorts Mutual Fund
Sd/-
Chief Executive Officer

Place: New Delhi

Date: December 21, 2012

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.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

