

**Notice-cum-Addendum to the Statement of Additional Information ("SAI") of L&T Mutual Fund ("L&T MF") and Scheme Information Document ("SID") and Key Information Memorandum ("KIM") of Scheme(s) of L&T Mutual Fund (herein after referred to as "Schemes" or "Scheme" as the reference denotes)**

Unit holders of the Schemes are requested to note that L&T Investment Management Limited ("L&T AMC") and L&T Mutual Fund Trustee Limited ("L&T Trustee"), Asset Management Company and Trustee Company of L&T MF respectively along with their nominees propose to acquire 100% shareholding of FIL Fund Management Private Limited ("FFM"), the Asset Management Company of Fidelity Mutual Fund ("FMF") and FIL Trustee Company Private Limited ("FTC"), the Trustee Company of FMF respectively ("Proposed Acquisition"). SEBI has approved the Proposed Acquisition vide its letter dated September 21, 2012.

Please note that with the completion of the Proposed Acquisition, Schemes of FMF will be transferred to, and form a part of L&T MF and the sponsorship, trusteeship and management of schemes of FMF will be transferred from FIL Investment Advisors ("FIA"), FTC and FFM respectively to L&T Finance Limited ("LTF"), L&T Trustee and L&T AMC respectively.

Pursuant to the transfer of Schemes of FMF and L&T MF as aforesaid, L&T MF may have in its product suite, schemes which are similar in nature. Thus, in order to avoid duplication of schemes, to enable optimum utilization of organizational resources, to conduct focused research/distribution and to facilitate product simplification so that unit holders can take a better informed decision, it is proposed to change features

of some of the existing schemes of L&T MF and/or merge certain schemes of L&T MF and FMF.

Accordingly, the Board of Directors of L&T AMC and L&T Trustee have approved the following changes in features of some of the existing schemes and/or merger of certain schemes of L&T MF and FMF. Please note that the said changes will be applicable on a prospective basis.

(1) **CHANGE IN THE FEATURES OF EXISTING SCHEMES OF L&T MF, INCLUDING CHANGE IN THE FUNDAMENTAL ATTRIBUTES OF THE SCHEME**

(a) **L&T MIP - Wealth Builder Fund\* (L&T MIP-WBF):**  
*\*Monthly income is not assured and is subject to the availability of distributable surplus*  
Unit holders are requested to note that, in order to have Schemes with clear distinct positions it is proposed to change the Asset Allocation of L&T MIP - WBF as mentioned below:

Existing Provision of Asset Allocation		
An indication of the asset allocation pattern of the portfolio in the Scheme is as follows:		
Type of security	Allocation Range (% of Net Assets)	Risk Profile
Debt, Money Market Instruments & Government Securities (including CBLO/ reverse repos)	70-100	Low to High
Equity & Equity Related Instruments	0-30	High

The Scheme may invest upto 50% of its net assets in Securitized debt.  
The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time. Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time). The stock lending, if undertaken, would not exceed 15% of the net assets of the Scheme.  
Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time.  
The gross investments in securities under the Scheme which includes Debt, Money Market Instruments, Government Securities and Equity & Equity Related Instruments including Securitized debt & Derivatives shall not exceed 100% of net assets of the Scheme. However, following will not be considered while calculating the gross exposure:  
a) Security-wise hedged position and  
b) Exposure in Cash or cash equivalents with residual maturity of less than 91 days.  
The exposure to derivatives will be calculated on notional value of the derivative contracts.  
The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the debt, equity and money markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered only on defensive considerations and for a short period not exceeding 1 month.

Revised Provision of Asset Allocation		
An indication of the asset allocation pattern of the portfolio in the Scheme is as follows:		
Type of security	Allocation Range (% of Net Assets)	Risk Profile
Debt, Money Market Instruments & Government Securities (including CBLO/ reverse repos)	70-90	Low to High
Equity & Equity Related Instruments	10-30	High

The Scheme may invest upto 50% of its net assets in Securitized debt.  
The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time. Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time). The stock lending, if undertaken, would not exceed 15% of the net assets of the Scheme.  
Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as may be amended from time to time.  
The gross investments in securities under the Scheme which includes Debt, Money Market Instruments, Government Securities and Equity & Equity Related Instruments including Securitized debt & Derivatives shall not exceed 100% of net assets of the Scheme. However, following will not be considered while calculating the gross exposure:  
a) Security-wise hedged position and  
b) Exposure in Cash or cash equivalents with residual maturity of less than 91 days.  
The exposure to derivatives will be calculated on notional value of the derivative contracts.  
The above asset allocation pattern is not absolute and can vary depending upon the AMC's perception of the debt, equity and money markets as well as the general view on interest rates. The asset allocation pattern indicated above may thus be altered only on defensive considerations and for a short period not exceeding 1 month.

Further, unit holders of L&T MIP-WBF are also requested to take note of the proposed merger of Fidelity Wealth Builder Fund - Plan B ("FWBF-B") and Fidelity Wealth Builder Fund - Plan C ("FWBF-C") fund of funds schemes of FMF (the Transferor Schemes of FMF) into L&T MIP-WBF (the Transferee Scheme of L&T MF), with effect from the date of the transfer of the schemes of FMF to L&T MF as mentioned above ("Effective Date"). Please note that the Board of Directors of L&T AMC, L&T Trustee, FFM and FTC have approved the aforesaid merger of FWBF-B and FWBF-C with L&T MIP - WBF. SEBI has, vide its letter no. OW/21722/2012 dated September 27, 2012, confirmed that it has no objection to the proposed merger of FWBF-B and FWBF-C into L&T MIP - WBF.

**(b) L&T Gilt Fund:**

Unit holders are requested to note that, in order to bring benchmark index in line with investment strategy/asset allocation and to have Schemes with clear distinct positions, it is proposed to change the Benchmark and Asset Allocation of L&T Gilt Fund as mentioned below:

Existing Provision(s)			
Benchmark	I-Sec Li-Bex Index		
Asset Allocation	The asset allocation pattern under normal circumstances is expected to be as follows:		
Type of security	Normal allocation (% of net assets)	Risk Profile	
Government Securities	80	100	Low
Money market instruments (including cash/call money)	0	20	Low to high

The maturity of the portfolio shall not exceed 12 years.

Further, unit holders of L&T Gilt Fund are also requested to take note of the proposed merger of Fidelity Flexi Gilt Fund, an open-ended gilt scheme of FMF (the Transferor Schemes of FMF) into L&T Gilt Fund (the Transferee Scheme of L&T MF), with effect from the Effective Date. Please note that the Board of Directors of L&T AMC, L&T Trustee, FFM and FTC have approved the aforesaid merger of Fidelity Flexi Gilt Fund into L&T Gilt Fund. SEBI has, vide its letter no. OW/21722/2012 dated September 27, 2012, confirmed that it has no objection to the proposed merger of Fidelity Flexi Gilt Fund into L&T Gilt Fund.

**(c) L&T Short Term Debt Fund ("L&T STDF"):**

Unit holders are requested to note that, in order to make name of the said scheme simpler for better clarity to the Investor/ Unit holders (existing and proposed) and to have scheme with clear distinct positions, it is proposed to change the Name and Asset Allocation of L&T STDF as mentioned below:

Existing Provision(s)		
Name of the Scheme	L&T Short Term Debt Fund	
Asset Allocation	An indication of the asset allocation pattern of the portfolio in the Scheme is as follows:	
Instruments	Indicative allocations Min% - Max% (% of Net Assets)	Risk Profile
Debt and Money Market Instruments with residual maturity upto 24 months	65%-100%	Low
Debt Instruments with residual maturity greater than 24 months and less than 60 months	0%-35%	Low to Medium

The Scheme may invest in securitized debt up to 50% of the portfolio.  
The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time.  
Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time).  
The average maturity of the Portfolio of the Scheme shall not exceed 3 years.

**(d) L&T Select Income Fund - Flexi Debt Fund ("L&T SIFLEX"):**

Unit holders are requested to note that, in order to make name of the said Scheme simpler for better clarity to the Investor/ Unit holders (existing and proposed), to bring benchmark index in line with investment strategy/asset allocation and to have Schemes with clear distinct positions, it is proposed to change the Name, Benchmark and Asset Allocation of L&T SIFLEX as mentioned below:

Existing Provision(s)			
Name	L&T Select Income Fund - Flexi Debt Fund		
Benchmark	CRISIL Composite Bond Fund Index		
Asset Allocation	An indication of the asset allocation pattern of the portfolio in the Scheme is as follows:		
Instruments	Indicative allocations (% of total assets)	Risk Profile	
	Minimum	Maximum	High/Medium/Low
Govt. Securities	0	100	Low to medium
Money Market Instruments	0	100	Medium to High
Corporate Bonds and Other Debt Instruments	0	100	Medium to High

The scheme(s) may invest upto 100% of assets in securitized instruments.  
The Scheme shall not invest in foreign securities and stock lending.  
The Scheme may undertake derivative transactions for the purpose of portfolio hedging and portfolio balancing, as permitted under the regulations and guidelines issued by SEBI from time to time.  
The Scheme can invest up to 100% in money market instruments, however this is not a liquid scheme, and the Fund Manager shall have the liberty to invest in securities having maturity of more than 91 days.  
The Scheme is positioned as a debt scheme which has flexibility to invest in all debt asset classes such as fixed income securities, floating rate debt securities, money market securities and other debt instruments and across various tenors ranging from short term to long term. This is in order to capture all types of opportunities available in the debt market.

Revised Provision(s)			
Benchmark	I-Sec Composite Index		
Asset Allocation	An indication of the asset allocation pattern of the portfolio in the Scheme is as follows:		
Type of security	Normal allocation (% of net assets)	Risk Profile	
Government Securities including Treasury Bills	80	100	Low
Money market instruments (including CBLO/ reverse repos)	0	20	Low to high

The Scheme may invest in securitized debt up to 50% of the portfolio.  
The Scheme shall have derivatives exposure as per the SEBI/ RBI Guidelines issued from time to time.  
Further, the Scheme may undertake Interest rate derivatives transactions for the purpose of hedging and portfolio rebalancing (within the permissible limits specified by RBI/ SEBI from time to time).  
The average maturity of the Portfolio of the Scheme shall not exceed 2 years.  
All the other paragraphs under "Asset Allocation" shall remain unchanged.

**(2) MERGER OF SCHEMES OF FMF AND L&T MF**

**(a) Merger of existing Schemes of L&T MF with Schemes of FMF:** Unit holders of L&T Opportunities Fund, L&T Growth Fund, L&T Contra Fund and L&T Hedged Equity Fund (the Transferor Schemes of L&T MF) are requested to note that the said Schemes shall merge with the below mentioned Schemes of FMF with effect from the Effective Date:

Existing Schemes of L&T MF (Transferor Schemes)	Existing Schemes of FMF (Transferee Schemes)	Surviving Scheme
L&T Contra Fund^^	Fidelity India Value Fund (FIVF)	Fidelity India Value Fund
L&T Growth Fund		
L&T Opportunities Fund	Fidelity India Growth Fund (FIGF) **	Fidelity India Growth Fund **
L&T Hedged Equity Fund		

**Unit holders are requested to take note of the following post merger of above mentioned schemes:**

- SEBI has, vide its letter no. OW/21722/2012 dated September 27, 2012, confirmed that it has no objection to the proposed merger of schemes.
- With effect from the Effective Date, the Transferor Scheme(s) of L&T MF shall cease to exist and the unit holders of Transferor Scheme(s) of L&T MF who have expressed their consent to the proposed merger as on that day will be allotted new units under respective Transferee Scheme(s) of FMF.
- Please note that pursuant to the proposed merger of scheme(s) as set out above, FIGF\*\* and FIVF will be the surviving scheme and the investment objective, investment pattern, annual recurring expenses structure and all the other provisions of the FIGF\*\* and FIVF as contained in its Scheme Information Document and Key Information Memorandum on the Effective Date will remain unchanged. However no new scheme will come into existence as a result of the proposed merger.

\*\* Please note that the Board of Directors of FFM and FTC have approved conversion and renaming of existing FIGF (an

Existing Schemes of FMF (Transferor Schemes)	Existing Schemes of L&T MF (Transferee Schemes)	Surviving Scheme
Fidelity Flexi Gilt Fund	L&T Gilt Fund \$	L&T Gilt Fund \$
Fidelity Wealth Builder Fund - Plan A	L&T Monthly Income Plan (L&T MIP)	L&T Monthly Income Plan (L&T MIP)
Fidelity Wealth Builder Fund - Plan B		
Fidelity Wealth Builder Fund - Plan C	L&T MIP - Wealth Builder Fund (L&T MIP-WBF) \$	L&T MIP - Wealth Builder Fund (L&T MIP-WBF) \$

**Unit holders are requested to take note of the following post merger of above mentioned schemes:**

- SEBI has, vide its letter no. OW/21722/2012 dated September 27, 2012, confirmed that it has no objection to the proposed merger of schemes.
- Please note that pursuant to the proposed merger of scheme(s) as set out above, L&T Gilt Fund \$, L&T MIP and L&T MIP - WBF \$ will be the surviving scheme and the investment objective, investment pattern, annual recurring expenses structure and all the other provisions of the L&T Gilt Fund \$, L&T MIP and L&T MIP - WBF \$ as contained in its Scheme Information Document and Key Information Memorandum on the Effective Date will remain unchanged. However no new scheme will come into existence as a result of the proposed merger.
- Unit holder are requested to take note of point no. (1) (a), relating to "Changes in the features (including fundamental attributes) of L&T MIP-WBF" and point no. (1) (b) relating to "Changes in the features (including fundamental attributes) of L&T Gilt Fund." However no new scheme will come into existence as a result of the proposed merger.

**(3) UNIT HOLDERS/ INVESTORS ARE REQUESTED TO TAKE NOTE OF THE FOLLOWING IN RELATION TO PROPOSED CHANGE IN FEATURES OF THE ABOVE MENTIONED SCHEMES OF L&T MF AND/OR PROPOSED MERGER OF SCHEMES (EXCEPT MERGER OF L&T CONTRA FUND WITH FIVF) OF FMF AND L&T MF AS MENTIONED ABOVE:**

- in accordance with the requirements under SEBI Regulations, the aforementioned proposed change in asset allocation of existing Schemes of L&T MF and/or proposed merger (as mentioned above) is considered as change in the fundamental attribute of the schemes. Further, as per Regulation 18(15A) of SEBI Regulations, such change can be carried through only after the unit holders of the concerned scheme have been informed of the change via written communication in order to provide them with the option of exiting the scheme within a period of 30 days without being charged an exit load at the prevailing net asset value ("NAV").
- in accordance with the requirement of Regulation 18(15A) of the SEBI Regulations, a communication providing the unit holders of said schemes, an option to redeem or switch to any other open - ended schemes of L&T MF# at applicable net asset value; without payment of exit load between October 15, 2012 and November 15, 2012 (both days inclusive) and other necessary disclosures is being dispatched. The exit option as aforesaid can be exercised by submitting a redemption/switch out request from October 15, 2012 to November 15, 2012 (both days inclusive) to any of our designated collection centres latest by the applicable cut-off time as stated in the SID on or before November 15, 2012. The offer to exit is merely an option and is not compulsory.  
# Unit holders who intend to switch their investments can visit the Products Section of website of L&T MF i.e. www.lntmf.com for open ended Schemes of L&T MF. Further, unit holders are also requested to go through the changes proposed to be made in some of the open ended Schemes of L&T MF.
- Unit holders may note that no action is required in case you are in agreement with the proposed change and/or merger. Please note that if you do not exercise your exit option on or before November 15, 2012 or if we do not receive your request for redemption/switch out on or before November 15, 2012 by the applicable cut-off time, you would be deemed to have consented to the proposed change and/or merger.
- Unit holders of existing schemes of L&T MF where there is a change in fundamental attribute (as set out above) who do not exercise their exit option on or before November 15, 2012 or if we do not receive your request for redemption/switch out on or before November 15, 2012 by the applicable cut-off time, they would be deemed to have consented to the proposed change in fundamental attribute and will continue to remain invested in the respective Scheme(s) of L&T MF.
- Unit holders are requested to note that fresh Statement of Account (SOA) reflecting the units allotted in the respective transferee scheme will be issued within 5 business days of the Effective Date. Further, unit holders are requested to note that e-mail shall be treated as a default mode for sending SOA to the unit holders who have provided their e-mail address in the Application Form or in any other subsequent communication in any of the folio belonging to the unit holder.
- The redemption cheques will be mailed within 10 business days of receipt of valid redemption request to those unit holders who choose to exercise their exit option.
- If the unit holder has consented to the merger, his/her existing Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP")/ Daily Investment Plan ("DIP") and Systematic Withdrawal Plan ("SWP") in the Transferor Scheme will be processed under the Transferee Scheme with effect from the Effective Date.
- Please be informed that the proposed merger(s): (a) are subject to completion of the Proposed Acquisition and accordingly, will not be effected if the Proposed Acquisition does not complete; and (b) will take effect immediately on the Effective Date.
- Please also be informed that the change in fundamental attributes of the schemes of L&T MF as described above will take effect on November 16, 2012 notwithstanding the outcome of the Proposed Acquisition.

**open - ended equity growth scheme of FMF) to large cap fund and Fidelity India Large Cap Fund ("FILCP") respectively. As a result of said conversion, it is proposed by FMF to change the existing features of FIGF including name of the scheme, investment objective, investment strategy etc prior to the Effective Date (as defined above). Please note that some of the changes proposed to be carried out as a result of conversion of FIGF to large cap fund are changes in the fundamental attributes of FIGF. Accordingly, pursuant to Regulation 18(15A) of SEBI (Mutual Funds) Regulations, 1996 ("SEBI Regulations"), FMF is providing an exit option to the unit holders of FIGF for the proposed changes. Accordingly, please note that FIGF will be renamed as FILCP, which will ultimately be renamed as "L&T India Large Cap Fund".**

**(b) Merger of existing Schemes of FMF with Schemes of L&T MF:** Unit holders are requested to note that the following existing Schemes of FMF (the Transferor Schemes of FMF) are proposed to be merged with below mentioned Schemes of L&T MF with effect from the Effective Date:

**(4) UNIT HOLDERS/ INVESTORS OF L&T CONTRA FUND ARE REQUESTED TO TAKE NOTE OF THE FOLLOWING IN RELATION TO MERGER OF L&T CONTRA FUND WITH FIDELITY INDIA VALUE FUND:**

- In accordance with the requirements under the SEBI Regulations, the proposed merger is considered as change in the fundamental attribute of the schemes. Further, such a merger can be carried out only after the unit holders of the concerned schemes have been sent written communication to provide them with an option of exiting the scheme within a period of 30 days at the prevailing net asset value ("NAV") without being charged an exit load.
- In accordance with the requirement of Regulation 18(15A) of the SEBI Regulations, a communication providing unit holders of L&T Contra Fund, an option to redeem or switch to any other open - ended schemes of L&T MF# at applicable net asset value; without payment of exit load between October 15, 2012 and November 15, 2012 (both days inclusive) and other necessary disclosures is being dispatched. The exit option as aforesaid can be exercised by submitting a redemption/switch out request from October 15, 2012 to November 15, 2012 (both days inclusive) to any of our designated collection centres latest by the applicable cut-off times as stated in the SID on or before November 15, 2012.  
# Unit holders who intend to switch their investments can visit the Products Section of website of L&T MF i.e. www.lntmf.com for open ended Schemes of L&T MF. Further, unit holders are also requested to go through the changes proposed to be made in some of the open ended Schemes of L&T MF.
- Unit holders of L&T Contra Fund are requested to note that, no action is required in case you are not in agreement with the proposed merger of L&T Contra Fund with FIVF, as units will be automatically redeemed at applicable NAV of the Effective Date without charging exit load. However, Unit holders of L&T Contra Fund who are in agreement to the proposed merger are required to express their consent by filling up details as set out in Annexure B of Unit holders communication, which is being dispatched to them.
- Unit holders of L&T Contra Fund are requested to note that fresh SOA reflecting the units allotted in the transferee scheme will be issued within 5 business days of the Effective Date. Further, unit holders are requested to note that e-mail shall be treated as a default mode for sending SOA to the unit holders who have provided their e-mail address in the Application Form or in any other subsequent communication in any of the folio belonging to the unit holder.
- The redemption cheques will be mailed within 10 business days of receipt of valid redemption request to those unit holders of L&T Contra Fund who choose to exercise their exit option or within 10 business days from the Effective Date to those unit holders who have not consented to the aforesaid merger on or before November 15, 2012 (as the case may be).
- If the unit holder has consented to the merger, his/her existing SIP/ STP/ DIP/ SWP in L&T Contra Fund will be processed under FIVF with effect from the Effective Date.
- Please be informed that the proposed merger: (a) is subject to completion of the Proposed Acquisition and accordingly, will not be effected if the Proposed Acquisition does not complete; and (b) will take effect immediately on the Effective Date.
- Unit holders of the schemes are requested to carefully read and understand the letter dispatched to them. Unit holders of the Schemes who do not receive the said communication can contact any of the Offices/Branches of L&T AMC or CAMS Service Centres ("CSC") and obtain the same. The list of Offices/Branches of L&T AMC and CSC's are available on our website www.lntmf.com.
- Unit holders of the Schemes of L&T MF who are given an option to exit or switch and who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/ encumbrances prior to the submission of redemption/switch out requests. Further, in case the units have been frozen/ locked pursuant to an order of a governmental authority or a court, a switch out or redemption can be executed only after the order is vacated/ revoked within the period specified above.
- Please note that the requirement of minimum application amount and minimum application amount for additional investments in Transferee Scheme shall not be applicable in respect of units allotted to the unit holders of the Transferor Scheme on account of proposed merger.
- Securities Transaction Tax, if applicable, in case of unit holder availing the Exit Option, shall not be borne by the unit holder.
- Kindly note that the proposed change and/or merger may entail Tax Consequences to unit holders of Scheme(s). Unit holders are requested to consult their Legal, Tax, Finance and other Professional Advisors.
- All the other features of the Schemes (except as mentioned in this communication) shall remain unchanged. A notice will be published in newspapers informing investors of the Effective Date.

This Notice-cum-Addendum forms an integral part of the SAI of L&T MF and SID & KIM of the Schemes of L&T MF. SAI, SID, KIM and Application Forms are available at AMC Branches/ Mutual Fund website at www.lntmf.com or at Investor Service Centers/ Empanelled Distributors.

For L&T Investment Management Limited  
(Investment Manager to L&T Mutual Fund)  
Sd/  
Authorised Signatory

Date: October 8, 2012  
Place: Mumbai

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**