

**NOTICE-CUM-ADDENDUM**

**Notice-Cum-Addendum** to the Statement of Additional Information (SAI) of L&T Mutual Fund (the Fund) and Scheme Information Document (SID) & Key Information Memorandum (KIM) of the Schemes of the Fund.

Investors/ Unit holders are requested to take note that, pursuant to SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 and SEBI (Mutual Funds) (Second Amendment) Regulations, 2012 dated September 26, 2012 following changes are effected to the SAI/ SID and KIM of the Scheme(s) of L&T Mutual Fund, wherever applicable, with effect from **October 1, 2012**.

**1. Subscriptions in Single Plan under the following Schemes of the Fund:**

**Effective October 1, 2012, subscriptions (including SIP/ STP/ DIP/ switch-in) in respect of the following Schemes will be accepted only under the Plan mentioned below and the minimum application amount for each Plan will be changed as follows:**

Name of the Scheme	Plans in respect of which "subscriptions (including SIP/ STP/ DIP / switch-in) request" will be accepted	Minimum Application Amount	Minimum Additional Application Amount
L&T Liquid Fund	Super Institutional Plan	<ul style="list-style-type: none"> <li>For all Options (except Daily Dividend Re-investment Plan (DDRIP)): ₹ 5,000/- and in multiples of ₹ 1/- thereafter.</li> <li>DDRIP: ₹ 1,00,000/- and in multiples of Re. 1/- thereafter.</li> </ul>	<ul style="list-style-type: none"> <li>For all Options (except DDRIP): ₹ 1,000/- and in multiples of ₹ 1/- thereafter.</li> <li>DDRIP: ₹ 5,000/- and in multiples of ₹ 1/- thereafter.</li> </ul>
L&T Ultra Short Term Fund	Institutional Plan	<ul style="list-style-type: none"> <li>For all Options (except DDRIP): ₹ 5,000/- and in multiples of ₹ 1/- thereafter.</li> <li>DDRIP: ₹ 1,00,000/- and in multiples of ₹ 1/- thereafter.</li> </ul>	<ul style="list-style-type: none"> <li>For all Options (except DDRIP): ₹ 1,000/- and in multiples of ₹ 1/- thereafter.</li> <li>DDRIP: ₹ 5,000/- and in multiples of ₹ 1/- thereafter.</li> </ul>
L&T Select Income Fund - Flexi Debt Fund	Institutional Plan	<ul style="list-style-type: none"> <li>₹ 5,000/- and in multiples of ₹ 1/- thereafter.</li> </ul>	<ul style="list-style-type: none"> <li>₹ 1,000/- per application and in multiples of ₹ 1/- thereafter.</li> </ul>

Thus, no fresh applications for investments will be accepted under the following Plans of the above mentioned Schemes:

Name of the Scheme	Plans/ Option in respect of which fresh investments shall not be accepted
L&T Liquid Fund	Regular and Institutional Plus Plan
L&T Ultra Short Term Fund	Regular Plan
L&T Select Income Fund - Flexi Debt Fund	Retail Option

**2. Annual Scheme Recurring Expenses:**

**Investors are requested to take note of the following changes under section "Annual Scheme Recurring Expenses" of the SID of the Schemes of the Fund:**

**(i) Following paragraph shall be added below first paragraph:**

"Total expense ratio of each Scheme (including investment and advisory fees) will be subject to the maximum limits (as a percentage of Daily Net Assets of the Scheme) as per Regulation 52 of SEBI (Mutual Funds) Regulations 1996 (Herein after referred as "SEBI regulation", as amended from time to time, with no sub-limit on investment and advisory fees."

**(ii) Reference to "daily average net assets" shall be replaced with "daily net assets";**

**(iii) Following paragraphs shall be added below the table of "The total annual recurring expenses for the Schemes":**

"In addition to the limits specified in the above-mentioned table, the following cost or expenses may be charged to the Schemes of the Fund, namely:

**(i)** Brokerage and Transaction Costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

**(ii)** Additional expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from beyond top 15 cities are at least:  
(i) 30 per cent of gross new inflows in the Scheme, or;  
(ii) 15 per cent of the average assets under management (year to date) of the Scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of new inflows from such cities be credited back to the Scheme in case the said inflows are redeemed within a period of one year from the date of investment.

**(iii)** Additional expenses upto 0.20 per cent of daily net assets of the Scheme, incurred towards different heads mentioned under Regulation 52(2) and regulation 52(4) of SEBI regulation.

**(iv)** Service Tax on investment and advisory fees shall be charged to the Scheme in addition to the maximum limit of Annual Scheme Recurring Expenses as prescribed in the Regulation 52 of SEBI regulation, as amended from time to time.

**(v)** Further, the AMC Mutual Fund shall annually set apart at least 2 basis points on the daily net assets within the limits of Annual Scheme Recurring Expenses as prescribed in the Regulation 52 of SEBI regulation, as amended from time to time, for investor education and awareness initiatives."

**3. Applicable NAV and Cut off Time:**

(i) The following paragraphs wherever appearing under "Applicable NAV and Cut off Time" in SID and KIM of Debt Schemes (except L&T Liquid Fund) of Fund will be replaced as follows:

**Existing paragraph**

"In respect of valid applications with amount equal to or more than ₹ 1 crore, irrespective of the time of receipt of application, the closing NAV of the day (or immediately following Business Day if that day is not a Business Day) on which the funds are available for utilization before the cut-off time shall be applicable."

**Revised paragraph**

"In respect of valid applications with amount equal to or more than ₹ 2 Lakh, the closing NAV of the day (or immediately following Business Day if that day is not a Business Day) on which the funds are available for utilization before cut-off time shall be applicable."

**Existing paragraph**

"Investors are requested to note that in case of multiple valid applications for Purchases/ Switch ins (either in Physical Form or in Demat Form through Stock Exchange Mechanism) in any single Debt Scheme of L&T Mutual Fund (irrespective of its Plan / Option) for an aggregate investment amount equal to or more than ₹ 1 crore on the same business day, such applications shall be consolidated at Permanent Account Number level irrespective of the number of folios to determine the total application amount of ₹ 1 crore and above."

**Revised Paragraph**

"Investors are requested to note that in case of multiple valid applications for Purchases/ Switch-ins (either in Physical Form or in Demat Form through Stock Exchange Mechanism) in any single Debt Scheme of L&T Mutual Fund (irrespective of its Plan / Option) for an aggregate investment amount equal to or more than ₹ 2 Lakh on the same business day, such applications shall be consolidated at Permanent Account Number level irrespective of the number of folios to determine the total application amount of ₹ 2 Lakh and above."

(ii) The following paragraph shall be added under "Applicable NAV and Cut off Time" in SID and KIM of the Equity Schemes of Fund:

"In respect of valid applications with amount equal to or more than ₹ 2 Lakh, the closing NAV of the day (or immediately following Business Day if that day is not a Business Day) on which the funds are available for utilization before cut-off time shall be applicable."

Investors are requested to note that in case of multiple valid applications for Purchases/ Switch-ins (either in Physical Form or in Demat Form through Stock Exchange Mechanism) in any single Debt Scheme of L&T Mutual Fund (irrespective of its Plan / Option) for an aggregate investment amount equal to or more than ₹ 2 Lakh on the same business day, such applications shall be consolidated at Permanent Account Number level irrespective of the number of folios to determine the total application amount of ₹ 2 Lakh and above."

**4. Exit Load:**

Any exit load charged with effect from October 1, 2012 shall be credited back to the respective Scheme, net off service tax, if any.

Accordingly, following paragraph wherever appearing under the section "Exit Load" in SID and KIM of the Schemes of the Fund shall be replaced as follows:

**Existing paragraph**

"With effect from August 1, 2009, exit load / CDSC (if any) up to 1% of the redemption value charged to the Unit holder by the Fund on redemption of units shall be retained by the Scheme in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses. Any amount in excess of 1% of the redemption value charged to the Unit holder as exit load/ CDSC shall be credited to the Scheme immediately."

**Revised paragraph**

"With effect from October 1, 2012, L&T Mutual Fund shall credit, exit load (net off service tax, if any, payable in respect of the same) to the Scheme of the Fund."

**5. Half yearly Disclosures - Financial Results:**

L&T Mutual Fund shall within one month from the close of each half year, that is on March 31<sup>st</sup> and on September 30<sup>th</sup>, host a soft copy of its unaudited financial results on their website www.lntmf.com. The half-yearly unaudited financial results shall contain details as specified in Twelfth Schedule and such other details as are necessary for the purpose of providing a true and fair view of the operations of L&T Mutual Fund.

L&T Mutual Fund shall publish an advertisement disclosing the hosting of unaudited financial results on their website www.lntmf.com in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

**6. Monthly Portfolio Disclosures:**

Following paragraph shall be added under the section "Periodic Disclosure" of the Schemes of the Fund:

"The Fund/ AMC will disclose portfolio (along with ISIN) of all its Schemes as on the last day of the month on its website www.lntmf.com on or before the tenth day of the succeeding month in a user-friendly and downloadable format. The format for monthly portfolio disclosure shall be same as that of half yearly portfolio disclosure."

**7. Prudential limits and disclosures on portfolio concentration risk in debt-oriented schemes:**

**Investors/ Unit holders of Debt Oriented Schemes of the Fund are requested to take note of the following:**

- In case of debt scheme, the total exposure to single sector shall not exceed 30% of the net assets of the scheme. However, this limit is not applicable for investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks.
- Existing debt schemes of the Fund, as on September 30, 2012; shall comply with the aforementioned requirement within a period of one year from September 13, 2012 or as mentioned by SEBI from time to time. Existing Unit holders of Debt Oriented Mutual Fund Schemes are requested to note that, during this one year, total exposure of existing debt schemes of the Fund in a particular sector shall not increase from the existing levels (if above 30%) as on September 13, 2012.

**8. Transaction Charge (TC) in respect of Applications routed through Distributors/ Brokers:**

In continuation with, SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011; which provided for deduction of TC from each subscription/ purchase request of ₹ 10,000/- and above, routed through distributor/ broker (who have opted to receive TC) and pay the same to such distributors/ brokers; it is now clarified that distributors shall have also the option to either opt in or opt out of levying TC based on type of the product.

**9. Net Asset Value (NAV):**

L&T Mutual Fund shall calculate NAV on daily basis and publish the same in at least two daily newspapers having circulation all over India.

Accordingly, reference to calculation and publication of NAV wherever appearing in SAI/ SID and KIM of the Schemes of the Fund shall stand modified to the above effect.

The SAI, SID and KIM of the Schemes of the Fund will stand modified to the extent mentioned above. All other terms and conditions for the Scheme(s) remain unchanged. This notice-cum-addendum forms an integral part of the SID, KIM of the Schemes of the Fund and SAI of the Fund, as amended from time to time.

**For L&T Investment Management Limited**  
(Investment Manager to L&T Mutual Fund)

Sd/-  
**Authorised Signatory**

**Date :** September 29, 2012  
**Place:** Mumbai

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

**NSE Disclaimer:** The units of the Scheme are listed on National Stock Exchange of India Limited (NSE). It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Scheme Information Document (SID) has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Draft SID. The investors are advised to refer to the SID for the full text of the 'Disclaimer Clause' of NSE.