

**NOTICE-CUM-ADDENDUM TO THE SCHEME INFORMATION DOCUMENTS / COMBINED KEY INFORMATION
MEMORANDUM OF SCHEMES OF L&T MUTUAL FUND**

INTRODUCTION OF DIRECT PLAN FOR INVESTING DIRECTLY WITH THE L&T MUTUAL FUND (APPLICATIONS NOT ROUTED THROUGH DISTRIBUTORS)

NOTICE is hereby given that in accordance with the provisions of paragraph D **"Separate Option for direct investments"** under circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by the Securities and Exchange Board of India (SEBI), it is proposed 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 Units in a Scheme directly from L&T Mutual Fund ("the Fund") and is not available for investors who route their investments through a Distributor.

Scheme eligibility: Direct Plan will be introduced in all open-ended schemes of the Fund except the Plans/Schemes discontinued for further subscriptions; hereinafter collectively referred to as **"the Schemes"**.

2. Plans / options / sub-options: All Plans / options / sub-options offered currently under the Schemes **"Existing Plan"** will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there will be two Plans available for subscription under the Schemes viz., Existing Plan and Direct Plan. Portfolios of the Schemes under the Existing Plan and Direct Plan will be unsegregated, however the annual recurring expenses chargeable to the investors in the plans will be different. Due to difference in the annual recurring expenses chargeable to the plans, the Net Asset Values of Existing Plan and Direct Plan under Schemes will be different.

Example 1: Scheme - L&T Equity Fund

	Existing Plan	Direct Plan (introduced w.e.f. January 1, 2013)
Subscription Plan	L&T Equity Fund	L&T Equity Fund – Direct Plan
Investment Route	Investors routing their investments through Distributor	Investors investing directly with the Fund on or after January 1, 2013.
Options	<ul style="list-style-type: none"> Growth Option Dividend Option (Payout & Re-investment) 	<ul style="list-style-type: none"> Growth Option Dividend Option (Payout & Re-investment)

Thus, investors subscribing under the Direct Plan of L&T Equity Fund will have to indicate the Scheme and Plan name in the application form as **"L&T Equity Fund – Direct Plan"**.

Example 2: Scheme – L&T Flexi Bond Fund (L&T FBF)

	Existing Plan	Direct Plan (introduced w.e.f. January 1, 2013)
Subscription Plan	<ul style="list-style-type: none"> L&TFBF-Institutional Plan 	<ul style="list-style-type: none"> L&TFBF – Institutional Plan - Direct Plan
Investment Route	Investors routing their investments through Distributor	Investors investing directly with the Fund on or after January 1, 2013.
Options	<ul style="list-style-type: none"> Growth Option Dividend Option with Payout and Reinvestment facilities 	<ul style="list-style-type: none"> Growth Option Dividend Option with Payout and Reinvestment Facilities

Thus, investors subscribing under the Direct Plan of L&TFBF will have to indicate the Scheme and Plan name in the application form as **"L&T FBF – Direct Plan"**.

3. Scheme characteristics: The characteristics of the Schemes such as investment objective, asset allocation pattern, investment strategy, risk factors, facilities offered and terms and conditions including load structure as applicable to the Existing Plan will be applicable to the Direct Plan except that:

(a) For investments routed through a distributor (i.e. made with distributor code) before or after the Effective Date, any Switch of units from Existing Plan to Direct Plan will be subject to applicable exit load, if any

For investments made directly i.e. without any distributor code, before or after the Effective Date, no exit load will be charged for Switch of investments from the Existing Plan to Direct Plan. Further, for the purpose of determining the Exit Load for redemption of such units from Direct Plan, the date when such units were allotted in the Existing Plan (without any distributor code) will be considered as the purchase/allotment date

(b) No exit load will be charged for Switch of units from the Direct Plan to Existing Plan of a Scheme/Plan.

(c) 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.

4. Applicable Net Asset Value ("NAV") and allotment of units:

(a) **L&T Cash Fund and L&T Liquid Fund:** Units will be allotted for valid applications received before cut-off time (subject to provisions on realization of funds) on January 1, 2013 under the Direct Plan(s) at the applicable NAV of the corresponding option(s) under the Existing Plan(s) as on December 31, 2012. Thereafter, separate NAVs will be calculated and published for the Direct Plan w.e.f. January 1, 2013.

(b) **All Schemes except L&T Cash Fund and L&T Liquid Fund:** Units will be allotted for valid applications received before cut-off time (subject to provisions on realization of funds, where applicable) on January 1, 2013 under the Direct Plan(s) at the applicable NAV of corresponding option(s) under the Existing Plan(s) as on January 01, 2013. Thereafter, separate NAVs will be calculated and published for option(s) under the Direct Plan(s) w.e.f. January 2, 2013.

(c) Where application is received without any distributor code in the Existing Plan **before cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under the Existing Plan and not under the Direct Plan.

(d) Where application is received without any distributor code in the Existing Plan **after cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.

5. 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 the Direct Plan. Investments under the Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {except Stock Exchange Platform(s) and all other platform(s) where investors' applications for subscription of units are routed through distributors}.

6. How to apply: Investors subscribing under the Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. **"L&T 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 the Direct Plan. Further, where application is received for the Existing Plan without distributor code or "Direct" mentioned in the ARN Column, the application will be processed under the Direct Plan.

7. Existing Investments:

(a) Investors wishing to transfer their accumulated unit balance held under the Existing Plan (through lumpsum / systematic investments made with or without distributor code) to the Direct Plan will have to switch-out/redeem their investments (subject to applicable Exit Load, if any) and switch – in / invest under the Direct Plan.

(b) In case of investors who have invested without distributor code and have opted for Dividend Reinvestment facility under the Existing Plan, the dividend will continue to be reinvested in the Existing Plan only.

8. Investments through systematic routes:

(a) In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP)/Daily Investment Plan, etc registered prior to the Effective Date without any distributor code under the Existing Plan, installments falling on or after February 1, 2013 will automatically be processed under the Direct Plan. However, investors who intend to continue with their future installments in Existing Plan, may opt to do so by submitting a written request before February 1, 2013.

(b) Investors who had registered for Systematic Investment Plan facility prior to the Effective Date with distributor code and wish to invest their future installments into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will process such requests within 15 working days. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment shall continue to apply.

(c) In case of Systematic Transfer Facilities (registered with distributor code) registered under the Existing Plan prior to the Effective Date the future installments shall continue under the Existing Plan.

In case such investors wish to invest under the Direct Plan through Systematic Transfer facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

9. Redemption requests: Where Units under a Scheme are held under both the 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 Scheme/Option are held only under one Plan, the request would be processed under that Plan.

10. 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 Documents /Combined Key Information Memorandum of the Schemes of the Fund as amended from time to time.

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

Ashu Suyash
Chief Executive Officer

Date : December 31, 2012
Place: Mumbai

Toll free: 1800 2000 400

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