

## ADDENDUM

This Addendum sets out the changes made in the Scheme Information Document of IDFC Small & Midcap Equity Fund (IDFC-SMEF) (Printed Date May 7, 2009)

### CONVERSION OF IDFC SMALL & MIDCAP EQUITY FUND INTO OPEN ENDED EQUITY SCHEME

As per the terms of Offer Document / Scheme Information Document, IDFC SMEF will mature in March 2011 and then the scheme would be open ended for subscriptions / continuous offer period. Investors may kindly note that IDFC-SMEF shall get converted into an open ended equity scheme w. e. f. 11th September 2009 (after cut-off) i.e. preponing the subscriptions / continuous offer period.

As per the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 modification mentioned above interalia preponing the subscriptions / continuous offer period is considered as changes in Fundamental Attributes. In accordance with the regulation 18(15A) of the said regulation, in case an investor does not wish to continue to hold units in view of the said changes, he / she / it will have the option to exit the said schemes / plans at prevailing NAV. No exit load shall be charged on such redemptions. Such exit option will not be available to unit holders whose units have been pledged and the Mutual Fund has been instructed to mark a lien on such units and the release of the pledge is not obtained and appropriately communicated to mutual fund prior to applying for redemption. The said exit option can be availed between 13th August 2009 to 11th September 2009 (both days inclusive). All transaction request received on / after 11th September 2009 cut off time will be subject to the prevailing load structure as applicable in the respective Scheme / Plans and will not qualify for the waiver of the exit load as mentioned above. It may be noted that the offer to exit is merely an option and is not compulsory.

All the provisions pertaining to close ended scheme shall cease and those pertaining to open ended scheme shall be applicable from the said date.

All the remaining terms & conditions (including the risk factors) of the Scheme Information Document of the Scheme remain unchanged.

Dated: 30th July 2009.