

Addendum

Addendum to Statement of Additional Information/Scheme Information Document(s) of IDFC Savings Advantage Fund.

1. CHANGE IN FUNDMANETAL ATRIBIBUTE OF IDFC SAVINGS ADVANTAGE FUND

In order to enable the fund manager to manage the scheme like any other open ended liquid scheme and keeping in mind the evolving market characteristics, it has been decided to change the name, asset allocation pattern, minimum application amount, details of the scheme and investment objective of IDFC Savings Advantage Fund as stated below. The Board of Directors of IDFC AMC Trustee Company Limited and the Board of Directors of IDFC Asset Management Company Limited have approved the following changes to the scheme information document of IDFC Mutual Fund.

Revised name of the scheme	IDFC Liquid Fund.			
Type of scheme	Open ended Liquid Fund			
Investment Objective	IDFC Liquid Fund will be an open-ended liquid fund with an objective to generate optimal returns with high liquidity by investing in high quality money market and debt instruments. However there is no assurance that the investment objective of the scheme will be realized.			
Asset Allocation Pattern	<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Money Market Instruments and debt instruments with maturity up to 91 days</td> <td style="width: 30%;">0-100 %</td> </tr> </table> <p>Investment in Securitized Debt upto 50%</p> <p>Investment in Foreign Debt Instruments upto 50%</p> <p>In case of securities where the principal is to be repaid in a single payout the maturity of the securities shall mean residual maturity.</p> <p>In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.</p> <p>In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.</p> <p>In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.</p>		Money Market Instruments and debt instruments with maturity up to 91 days	0-100 %
Money Market Instruments and debt instruments with maturity up to 91 days	0-100 %			
Risk Profile	Low to medium			

Load structure	Entry Load: Nil Exit Load: Nil
Minimum application amount	Minimum of Rs 5000 in multiples of Re.1 in Plan A, Rs. 500 in multiples of Re.1 in Plan D. and Rs 5000 in multiples of Re.1 in Plan F.
Details of the scheme (including Liquidity and NAV disclosure)	<p>Units of the scheme may be purchased or redeemed on every Business Day at applicable NAV based prices subject to the provisions on Uniform cut-off time applicable to the Liquid Fund Scheme. The units of the Scheme are presently not proposed to be listed on any exchange. Investors having a bank account with Standard Chartered Bank or such other banks with which the Fund has an arrangement from time to time can avail of the facility of direct debit/credit to their account for purchase/sale of their units. The Fund shall under normal circumstances, endeavour to despatch the redemption proceeds within one Business Day (T+1) from the date of acceptance of redemption request at the Official Points of Acceptance of Transactions. (Similar timeline shall be applicable in case of switch-outs too). As per SEBI Regulations the despatch of redemption proceeds need to be undertaken under no circumstances, later than 10 (ten) Business Days from the date of acceptance of the request.</p> <p>The NAV of the Scheme will be calculated upto four decimal places and will be declared on each calendar day.</p>
Applicable NAV	<p>Purchases:</p> <p>1. In respect of valid application received upto 2.00 p.m on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Liquid Scheme/Plans before the cut-off time i.e available for utilization before the cut-off time- the closing NAV of the day immediately preceding the day of receipt of application shall be applicable.</p> <p>2. In respect of valid application received after 2.00 p.m on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Liquid Scheme/Plans on the same day i.e available for utilization on the same day- the closing NAV of the day immediately preceding the next business day shall be applicable and</p> <p>3. Irrespective of the time of receipt of application at the official point(s) of acceptance, where the funds for the entire amount of subscription/purchase as per the application are not credited to the bank account of the respective Liquid Scheme/Plans before the cut-off time i.e not available before the cut-off time- the closing NAV of the day immediately preceding the day on</p>

	<p>which the funds are available for utilization shall be applicable.</p> <p>For Switch-in to IDFC Liquid Fund:</p> <ol style="list-style-type: none"> 1. Application for switch-in is received before the applicable cut-off time. (2.00 p.m). 2. Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in liquid schemes before the cut-off time. (2.00 p.m). 3. The funds are available for utilization before the cut-off time, (2.00 p.m) by the respective switch-in schemes. <p>For redemptions:</p> <p>Where the application is received upto 3.00 pm - the closing NAV of the day immediately proceeding the next business day after the day of application. Where the application is received after 3.00 pm - the closing NAV of the next business day after the day of application.</p>
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As per the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 modification mentioned above interalia change in asset allocation and investment objective of the schemes are considered as change in fundamental attributes of scheme. Accordingly, as per 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. The said exit option can be availed between April 22, 2011 to May 21, 2011 (both days inclusive). All transaction request received on/after May 22, 2011, will be subject to changes, as may be prevailing in the respective Scheme mentioned in the addendum. It may be noted that the offer to exit is merely an option and is not compulsory. Please note that redemption request may be submitted to any of the Offices of the AMC or the CAMS Investor Service Centers. Such exit option will not be available to unit holders whose units have been pledged and 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.

2. INTRODUCTION OF VARIOUS FACILITIES UNDER IDFC LIQUID FUND.

Investors may kindly note that IDFC Asset Management Company Ltd. has decided to introduce the below mentioned facilities to the investors under IDFC Liquid Fund with effect from May 22, 2011.

a. SYSTEMATIC TRANSFER PLAN (STP)

Investors can opt for the Systematic Transfer Plan by investing a lump sum amount in one scheme of the fund and providing a standing instruction to transfer sums at daily, monthly (for a minimum period of 6 months), weekly and fortnightly intervals into any other scheme of IDFC Mutual Fund. Investors could also opt for STP from an existing account by quoting their account / folio number. Investors could choose to specify a fixed sum to be transferred. Alternatively, in the Growth Option(s) / sub options under the Scheme(s) of IDFC Mutual Fund, investors could opt to automatically transfer the capital appreciation (between the immediately preceding STP date and the present STP date) in the value of their investments to the Scheme(s) of IDFC Mutual Fund. Transfers would be affected as on any day in case of daily & monthly STP, seventh/fourteenth/twenty-first/twenty-eight day in case of weekly STP and first /sixteen

in case of fortnightly basis. , as may be prescribed by the unit holder. In the event that such a day is a holiday, the transfer would be affected on the next business day. Transfers must be for a minimum amount of Rs.1000/- in case of STPs where a fixed sum is specified to be transferred. The AMC reserves the right to introduce STPs at such other frequencies such other frequencies as the AMC may feel appropriate from time to time.

b. SYSTEMATIC WITHDRAWAL PLAN (SWP)

Unit holders of the Scheme/s have the benefit of enrolling themselves in the Systematic Withdrawal Plan. The SWP allows the Unit holder to withdraw a specified sum of money periodically from his investments in the Scheme/s. SWP is ideal for investors seeking a regular inflow of funds for their needs. It is also ideally suited to retirees or individuals who wish to invest lump sums and withdraw from the investment over a period of time. The minimum amount which the Unit holder can withdraw is Rs. 500/-.The Unit holder may avail of this plan by sending a written request to the Registrar. This facility is currently available in the growth and dividend option only under monthly and quarterly frequency. Withdrawal would be affected as of the first/ tenth/twentieth day of every month or Quarter, as may be prescribed by the unit holder. The AMC reserves the right to introduce SWP at such other frequencies as the AMC may feel appropriate from time to time.

c. SYSTEMATIC INVESTMENT PLAN (SIP)

Unit holders of the scheme/s applying in Plan A (Regular Plan) have the benefit of opting for SIP. SIP allows the unit holder to invest a specified sum of money each month with a minimum amount of Rs. 1000 for all schemes. Unit holders who wish to invest on a monthly basis can invest a minimum of Rs. 1000 for all schemes and in multiples of Re. 1- thereafter by providing the Registrar with at least six post dated cheque for a block of 6 months in advance.

The unit holder wish to opt for Daily /Weekly/ Fortnightly and monthly SIP, has to commit investment by providing the Registrar with at least six post dated cheques/debit mandate/mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time for a block of 6 months in advance. SIP can commence on any day in case of daily & monthly SIP, seventh/fourteenth/twenty-first/twenty -eight day in case of weekly SIP and first /sixteen in case of fortnightly basis and specified by the unit holder in SIP application form. Cheques/ debit mandate/ mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time should be drawn in favor of the respective schemes. The AMC reserves the right to introduce SIPs at such other frequencies as the AMC may feel appropriate from time to time.

SIP offered through AUTOSAVE

Unit holder can opt for SIP facility by filling up “Mandate form for ECS (debit)- Auto save” ECS debit mandate should be accompanied with cheque for first SIP installment. This facility is at present available at select centers only. The AMC at its own discretion reserves the right to increase the number of centers or curtail this facility at one or more centers as deemed appropriate. The first SIP cheque during the continuous offer of the Scheme should be received by the AMC/Registrar 20 days before the specified/desired date of SIP. The AMC reserves the right to introduce SIPs through autos ave at such other frequencies such as weekly / quarterly / half-yearly etc. as the AMC may feel appropriate from time to time.

SIP offered through debit mandate

Investors having a bank account with HDFC Bank or such other Bank with whom the Fund would have an arrangement from time to time may give instructions to that Bank at any of its branches in India to debit investors account on a monthly basis. On receipt of the SIP application along with cheques/debit mandate/mandate form for Electronic Clearing System (ECS)/ such other instrument as recognized by AMC from time to time, the Registrar will send a letter to the Unit holder confirming that his/her name has been included in the Systematic Investment Plan. The cheques/mandates will be presented on the desired date as specified in the application form. If specified date falls on a holiday, the cheques will be deposited on the next Business Day. In case of debit mandates /local cheques, Units will be allotted at the Purchase Price on the desired date as specified in the application form in case the date happens to be a holiday; Units will be allotted on the next Business Day. Within 3 Business Days of such allotment, the Fund shall under normal circumstances endeavour to mail an Account Statement indicating the new balance to his/her credit in the Account. An investor will have the right to discontinue the Systematic Investment Plan, subject to giving 14 days' prior notice to the Registrar. The AMC reserves the right to introduce SIPs through debit mandate at such other frequencies such as weekly / quarterly / half-yearly etc. as the AMC may feel appropriate from time to time. The AMC reserves the right to change the procedures, terms and conditions of investing.

OTHER SIP FACILITIES:

- **Perpetual SIP:** Under this SIP facility the investor need not mention the maximum installment. The SIP shall end on December 31, 2099 automatically. In case there is no mention of the number of installments; the SIP shall be registered under the Perpetual SIP facility.
- **Differential SIP:** Under this facility the investor has a choice of registering the SIP in such a manner that the 1st SIP installment will be lower / higher than the subsequent installments.
- In case of existing folios, there is no requirement of registering the 1st installment, all 6 installments shall be considered as SIP transactions.
- An Investor can register a SIP along with ECS mandate without providing the initial cheque. The SIP installment shall get activated/triggered in the scheme for the amount opted by the investor in the SIP form. The gap between the SIP registration date and the first installment shall be minimum 30 days.

For all the SIP facilities the minimum investment amounts/ minimum no of installments shall be applicable.

The Trustee / AMC reserve the right to modify the aforesaid requirements at their sole discretion. All other terms and conditions of the Scheme Information Document(s) remain unchanged.

This Addendum forms an integral part of the Statement of Additional Information / Scheme Information Document(s)/ Key Information Memorandum cum Application Form(s) of the Schemes of IDFC Mutual Fund read with the addenda issued there under.

Addendum dated: April 19, 2011.