

Addendum dated October 14, 2011 to the Scheme Information Documents / Key Information Memoranda of the schemes of IDFC Mutual Fund

1. Introduction of Periodic Dividend Option under IDFC Ultra Short Term Fund (IDFC USTF):

The Board of Directors of IDFC AMC Trustee Company Ltd. (Trustee of IDFC Mutual Fund) have decided to introduce a Periodic Dividend Option under IDFC Ultra Short Term Fund (IDFC USTF). Under this option the Board shall reserve the right to declare adhoc dividend, subject to availability of distributable surplus. The option shall be effective from October 17, 2011.

2. Introduction of Quarterly Dividend Option under IDFC Fixed Maturity Plan Yearly Series 53(IDFC FMP YS 53) and IDFC Fixed Maturity Plan Eighteen Months Series 9(IDFC FMP EMS 9):

The Board of Directors of IDFC AMC Trustee Company Ltd. (Trustee of IDFC Mutual Fund) have decided to introduce a Quarterly Dividend Option under IDFC Fixed Maturity Plan Yearly Series 53(IDFC FMP YS 53) and IDFC Fixed Maturity Plan Eighteen Months Series 9(IDFC FMP EMS 9). Under this option the Board shall reserve the right to declare quarterly dividend, subject to availability of distributable surplus. The option shall be effective from October 24, 2011.

3. Introduction of SMS Transact facility in IDFC Money Manager Fund (Combined SID dated October 07, 2011)

Unitholder(s) may kindly note that IDFC Asset Management Company Ltd. has decided to introduce a SMS Transact facility in IDFC Money Manager Fund

The following be added under the head “Definition”

“SMS” Short messaging service

The following paragraph be added as an additional transaction facility below the para “PHONE TRANSACT”

“SMSTRANSACT FACILITY”

The SMS Transact facility enables Unitholders to subscribe and/or redeem Units of the Scheme by sending instructions through SMS from their registered mobile phone number on a dedicated number identified by the AMC (“**SMS Transact**”). SMS Transact is only available to existing Unitholders who have been assigned a folio number by the AMC.

Registration: To register for SMS Transact, the Unitholder is required to submit a duly completed “One Time Debit Mandate Form”(“**Debit Mandate**”) with the AMC or any of the nearest Investor Service Centre of the AMC (“**ISC**”). A copy of the Debit Mandate is available at the offices of the ISC or can be downloaded from our website (www.idfcmf.com). The Debit Mandate must be complete in all respects. Incomplete applications will not be processed.

By executing the Debit Mandate, the Unitholder would convey standing instructions to his/her/it's respective bank to accept instructions issued by the AMC. Such standing instructions would enable and authorize the AMC to issue debit instructions to the Unitholder's bank to debit their bank account with the amount instructed by the AMC. Unitholder's to note that there is no ceiling on the amount which could be subscribed or redeemed through SMS Transact or the number of times this facility could be used on every Business Day. Redemption transactions would however be subject to minimum balance requirements as disclosed in the SID.

Post receipt of confirmation of a valid Debit Mandate from the bank of the Unitholder, the Registrar of the Scheme ("**R&T**") will tag the folio of the Unitholder as eligible for the SMS Transact facility. The mobile phone number provided in the Debit Mandate will be recorded as the registered mobile phone number for the facility. The Unitholder can begin transacting through SMS Transact upon completion of the requisite formalities.

Unitholder's to note that if any third person obtains access to the Unitholder(s) mobile phone such third person would be able to transact / provide instructions to the AMC under the SMS Transact facility. Whilst the AMC shall aim to provide security to prevent any unauthorized access, there cannot be any guarantee from such frauds, hacking and other actions, which could affect the instructions to the AMC under SMS Transact.

Transaction Process: For the purposes of this section, the term 'Transaction' refers to the subscription / redemption of Units of the Scheme by the Unitholder, through the SMS Transact facility. Post registration, the Unitholder can send their request to subscribe / redeem Units of the Scheme by sending a SMS with the details of the type of transaction (Subscription / Redemption) and the Subscription amount / Redemption amount through SMS on 56767267. On receipt of the initial request, the R&T will confirm receipt of the initial request by way of a SMS. The time of registration of transaction request with the R&T server shall be considered as the time for the purpose of assessing the applicable NAV. For the purposes of SMS Transact, such R&T office would be considered as an Official Point of acceptance of transaction. For redemption Transactions, the redemption proceeds will be credited to the registered bank account of the Unitholder within a period of 10 Business Days. Post completion of the Transaction, the AMC / R&T will send a confirmatory SMS to the Unitholder [providing details of the number of Units subscribed / redeemed and the Applicable NAV for the Transaction.]

[In the event a Unitholder proposes to change the registered mobile number through which SMS Transact facility can be availed then the Unitholder would be required to submit a fresh Debit mandate. To terminate availing SMS Transact facility, the Unitholder is required to submit a written request at any ISC. The AMC will require at least 10 Business Days to terminate the SMS Transact facility for the Unitholder.]

For any queries with respect to the SMS Transact facility or the status of the Transaction, the Unitholder can call on 1800 226622

To avail the SMS Transact facility, a Unitholder(s) will be required to abide by the terms and conditions ("**ST Terms and Conditions**") enumerated hereunder.

1. Unitholder's will have to register a single bank mandate for purchase and redemption. This bank account will be debited towards subscription. The redemption proceeds will also be credited only this bank account.

If the bank details provided in the debit mandate registration form are different from the currently

registered bank mandate in the folio, the new mandate will also be added to the existing bank mandate/s and will be considered as a default bank mandate for all transactions and schemes in the folio.

Currently, individual investors have the option of registering a maximum of five (5) bank mandates in one folio. If there are 5 bank mandates already registered and the bank mandate provided in the debit mandate registration form is different, the SMS transaction application will be rejected.

2. A mobile number will have to be registered for availing this facility. An unitholder can send a transaction SMS only through the registered mobile no. If there is a mobile number already registered in the folio and the same is different from the one provided in the registration form, the same will be replaced with the new mobile number provided therein.
3. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information/key word or due to non-receipt of the SMS message by the RTA, unitholder would not hold the user institution responsible.
4. Applicable NAV for the transaction will be dependent upon the time of receipt of the SMS message into the CAMS server and electronically time-stamped.
5. Unitholder will also inform IDFC Asset Management Company Ltd. about any change in his / her bank account number, mobile number or email id through a written request duly signed.
6. The request for transaction is to be considered as accepted only on the receipt of the confirmation SMS from CAMS on the registered mobile no. In case of non-receipt of such a mail from CAMS within a reasonable time, unitholder are advised to immediately call up the investor helpline on toll free no. 1800 226622 to confirm the status of the transaction request.
7. A unique transaction reference number will be generated for every valid transaction request received by CAMS. This reference no. will be communicated in the confirmatory SMS sent by CAMS. Unitholder are requested to quote this reference no. in respect of any queries related to the transaction. In case of receipt of multiple SMSes against a single transaction request, containing different transaction reference nos., the same needs to be brought to the immediate attention of CAMS, IDFC AMC/Mutual Fund.
8. The AMC is offering SMS Transact with a view to accommodate / facilitate the Unitholder(s) and is as such offered at the sole discretion of the AMC. The AMC is not bound and / or obliged in any ways to give access to SMS Transact to the Unitholder(s).
9. In order to avail the Facility, the Unitholder(s) shall be required to provide Basic Information Data (BID) in the Debit Mandate or otherwise to the AMC. The AMC may in its absolute discretion and in the Unitholder's interest, request the Unitholder(s) for an oral, fax or written confirmation of any Transaction request and/or any additional information with respect to the Unitholder(s). The AMC shall not be bound to act on any SMS instructions received until such oral, fax or written confirmation and/or any additional information in a form and manner acceptable to the AMC is received. However, the AMC shall have no obligation to check or verify the authenticity or accuracy of the fax confirmations purporting to have been sent by the

Unitholder and may act thereon as if the same had been duly given. If for any reason, the AMC is not satisfied with the replies of the Unitholder(s), the AMC has, at its sole discretion, the right to refuse access, without assigning any reasons therefor, to the Unitholder(s). The Unitholder(s) shall ensure that the BID provided to the AMC is complete, true, accurate and as at the date of submission. The Unitholder(s) further agrees to advise the AMC of any changes in the BID as soon as such a change occurs. Subject to applicable laws, the AMC has the right to suspend the SMS Transact Facility for any particular Unitholder, at its sole discretion, without assigning any reasons to the Unitholder(s).

10. The AMC/ Mutual Fund may at its sole discretion modify / vary or suspend the SMS Transact facility in whole or in part, at any time with or without prior notice to the Unitholders, as may be deemed expedient or necessary. By agreeing to the ST Terms and Conditions, the Unitholder shall at all times be bound by any such modifications / variations or suspension to the SMS Transact facility.
11. The Unitholder(s) shall check his / her / it's account records carefully and promptly. If the Unitholder(s) believes that there has been an error in any Transaction using the Facility, or that an unauthorized transaction has been effected, the Unitholder(s) shall notify the AMC immediately. The AMC shall endeavor to rectify the error. While the AMC will take all reasonable steps to ensure accuracy, the AMC is not liable for any error. If the Unitholder(s) defaults in intimating the alleged discrepancies in the statement within a period of thirty (30) days of receipt of the statement, he / she / it waives all his rights to raise the same against the AMC, unless the discrepancy /error is apparent on the face of it.
12. In case of Single holding folio, SMS Transact will be offered by the AMC to the sole Unitholder.[In case the mode of holding of the folio is 'Anyone or Survivor', the AMC shall offer the SMS Transact facility in favour of the first holder mentioned in the folio.]
13. In case the Unitholder is a 'minor', the legal / natural guardian shall be eligible to avail the Facility till the minor attains majority. As such the legal / natural guardian may make payments from the minor's respective bank account (or in accordance with the exceptions provided for third party payments) and the same shall be recognized by the AMC as valid payment as per the SEBI (MF) Regulations. The natural / legal guardian of the minor hereby agrees to submit such details as may be specified by the AMC from time to time. Upon attaining majority, the right of the parent/legal guardian to avail SMS Transact for the folio(s) of the minor shall cease and the 'major' Unitholder would be required to register himself afresh for availing the SMS Transact facility.
14. Any Transaction request on a non-Business Day will be processed on the next Business Day in accordance with the provisions in this SID and/or SAI.
15. The Unitholder(s) shall ensure availability of clear funds in their respective bank account, as specified in the Debit Mandate, at the time of requesting a Transaction using SMS Transact. The AMC / R&T shall not be held liable for any unsuccessful Transaction due to non availability of funds in the bank account of the Unitholder. The AMC / R&T shall attempt to settle the Transaction by requesting the registered bank for release of funds. However, in case of non-receipt of the funds, the Transaction shall stand cancelled and the units allotted, if any, would be reversed.
16. Payment for the Transaction request shall be through a payment gateway and the AMC / Mutual Fund / R&T will not be liable for any failures in the link or for any fraud (either at the payment

gateway's end and / or the bank's end) that could take place at the time of making payment. The Unitholder(s) undertakes to inform either the AMC or the R&T, immediately in case his / her / their bank account is debited but corresponding Units are not allotted.

17. The software/ technology provided by the AMC from time to time (if any) for availing SMS Transact as well as other related software (collectively “**Software**”) are the legal property of the AMC. The permission given by the AMC to avail SMS Transact will not convey any proprietary or ownership rights in the Software. The Unitholder(s) agree that he / she / they shall not attempt to modify, translate, disassemble, decompile or reverse engineer the Software or create any derivative product based on the Software. The Unitholder(s) further agrees not to use the name, logo or mark of the AMC / Mutual Fund (or any logo or mark similar thereto), and any related patent, trademarks and service marks applications, design rights, copyrights, and all or any similar or equivalent rights arising or subsisting in any country in the world.
18. Requests like change in bank mandate, change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time will not be permitted by using the SMS Transact facility.
19. Providing SMS Transact facility shall not be considered as solicitation to buy or an offer to sell or recommendation for a security or any other product or service, to any person in any jurisdiction where such solicitation, offer, recommendation, purchase or sale would be unlawful under the laws of that jurisdiction.
20. The AMC accepts no liability whatsoever, direct or indirect, for non-compliance with the laws of any country other than the Republic of India. The mere fact that SMS Transact may be accessed by a Unitholder by sending a SMS from a country other than India, shall not be interpreted to imply that the laws of the said country supersede the ST Terms and Conditions and/or the use of SMS Transact facility. The SMS Transact facility shall be expressly governed by the ST Terms and Conditions at all times.
21. The AMC will not be liable to the Unitholder(s) for any damages whether direct or indirect, consequential or special, exemplary or punitive losses, costs or injury suffered, by the Unitholder(s), or by others, related to the use or cancellation of SMS Transact.
22. The grant of SMS Transact facility is not transferable / assignable under any circumstances.

Unitholders to note that by signing the Debit Mandate and/or availing the SMS Transact facility, the Unitholders also give the following confirmations, declarations and authorizations set out below and will unequivocally be bound by the abovementioned ST Terms and Conditions:

The Unitholder(s) confirms reading and understanding the terms and conditions described in this SID / SAI / KIM of the Scheme (including the ST Terms and Conditions) as amended from time to time, including his / her / their eligibility to make investments in the Unit of the Scheme and is fully capable of assessing and bearing the risks involved in undertaking Transactions through SMS Transact. The Unitholder(s) further confirms to comply with the terms and conditions of SID/ SAI/ KIM of the Scheme and also the Know Your Customer (KYC) norms and Restrictions on Acceptance of Third Party payments for subscription of Units as described in this SID / SAI / KIM of the Scheme.

1. The Unitholder(s) confirms that the information provided in the Debit Mandate or any other application form for this facility is true, accurate and correct. The responsibility of the information provided in the Debit Mandate or any other application form for this facility solely rests with the

Unitholder(s) and the AMC / Mutual Fund / R&T will not be responsible or liable for any loss, claims, liability that may arise on account of any incorrect and / or erroneous data / information supplied by the Unitholder(s).

2. The Unitholder(s) agrees that in order to be eligible for SMS Transact ,he / she / they would need to have a mobile phone and register their mobile phone number with the AMC. The Unitholder(s) further accepts that an application for availing SMS Transact does not automatically imply acceptance of the same by the AMC.
3. By opting for the facility, the Unitholder(s) irrevocably authorizes and instructs the AMC, the trustee company, Mutual Fund, R&T and their representatives, delegates and / or agents to act as his / her agent and to do all such acts as they may find necessary to provide SMS Transact facility. The AMC is at liberty to subcontract and employ agents to carry out its obligations with respect to SMS Transact or to assign any of its rights under SMS Transact without the consent of the Unitholder to any of the AMC's group companies, subsidiary or associate company or such other company which the AMC deems suitable for provision of SMS Transact.
4. The Unitholder(s) understands that the data / information provided by him / her / them pursuant to dealing with the AMC / Mutual Fund could be shared by the AMC with the Sponsor or its associates, Trustee Company, R&T, banks and / or authorized external third parties who are involved in transaction processing, dispatches, etc. of the Scheme or who have been appointed by the Trustees/AMC to provide services to the Scheme, distributors or sub-brokers or any other persons for compliance with any legal or regulatory requirements or directives or to verify the identity of Unitholder for complying with anti-money laundering requirements or for prevention of fraud purposes.
5. The Unitholder(s) agrees and confirms that it shall be his/her/it's sole responsibility to ensure protection and confidentiality of BID and any disclosures thereof shall be entirely at the Unitholder's risk and cost. The AMC shall be notified immediately if a record of the BID, is lost or stolen or if the Unitholder is aware or suspects another person knows or has used his/her BID without authority.
6. The Unitholder agrees and acknowledges that any Transaction, undertaken using the Unitholder's mobile number shall be deemed to be that of the Unitholder. If any third party gains access to SMS Transact, the Unitholder agrees to indemnify the AMC and its directors, employees, agents and representatives against any liability, costs, or damages arising out of claims or suits by such other third parties based upon or related to such access or use.
7. The Unitholder confirms that he is aware that the Transactions can be effected only through the use of mobile number registered with the the AMC.The Unitholder will not request/demand any evidence or proof for the Transaction and the audit trail leading to the confirmatory SMS would be conclusive proof with respect to completion of the Transaction(s).
8. The Unitholder hereby confirms, acknowledges and undertakes to make payments for Subscription of Units of the Scheme from their respective bank account(s)in compliance with applicable provisions relating to third party payments detailed in the SID / SAland that the payment will be will be through legitimate sources only.
9. The Unitholder(s) agrees and authorize the AMC to share data / information provided by him / her / them under SMS Transact to the entities and for the purposes set out in the ST Terms and Conditions.
10. The Unitholder(s) agree that they shall be liable to pay all charges, fees, interests, and costs wherever applicable, which the AMC in its absolute discretion may levy with respect to the Facility.

11. The Unitholder(s) shall not assign any right or interest or delegate any obligation arising from availing SMS Transact.
12. The Unitholder(s) shall take responsibility for all the transactions conducted by using SMS Transact and will abide by the record of transactions generated by the AMC and/or the R&T with respect to this facility. Further, the Unitholder(s) confirms that such records generated by the AMC and/or the R&T shall be conclusive proof and binding for all purposes and may be used as evidence in any proceedings and unconditionally waives all objections in this behalf.
13. The Unitholder(s) acknowledges that SMS Transact entails risks which would *inter alia* include the following, for which the AMC shall not be responsible or liable:
 - (a) Telecom frauds: Transmission of SMS per se is susceptible to frauds, misuse, hacking and other actions, which could affect the electronic/SMS instructions to the AMC. Whilst the AMC shall aim to provide security to prevent the same, there cannot be any guarantee from such frauds, hacking and other actions that could affect the electronic/SMS instructions to the AMC.
 - (b) Technology Risks: The technology or Software (if any) for enabling SMS Transact provided by the AMC could be affected by virus or other malicious, destructive or corrupting code, program or macro or any other reasons not attributable to the AMC. It may also be possible that the servers of the AMC may require maintenance and during such times it may not be possible to process the request of the investor/ Unitholder(s). This could result in delays in the processing of instructions or failure in processing of instructions and other such failures and inability.
14. The Unitholder(s) confirm that the AMC, Trustee, Mutual Fund and / or the R&T or their respective directors, employees or delegates, shall under no circumstances be liable for any damages or losses whatsoever whether such damages or losses are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, investment, production, goodwill, profit, interruption of business or any other loss or want character or nature whatsoever and whether sustained by the Unitholder or any other person, due to:
 - a. Disruption or non-availability of SMS Transact facility in the desired manner for reasons including but not limited to natural calamity, floods, fire and other natural disasters, legal restraints, period maintenance of servers, technical fault / error or virus, any failure of the service provider, loss or corruption of data, mobile device failure or malfunctioning, faults or failures in telecommunication network, software or hardware error or any other reason beyond the control of the AMC;
 - b. any transaction carried out in good faith by the AMC using SMS Transact based on instructions of the Unitholder(s);
 - c. any unauthorized usage / unauthorized transactions concluded by using SMS Transact;
 - d. any error, defect, failure or interruption in the provision of SMS Transact;
 - e. any negligence / mistake or misconduct by the Unitholder(s) and / or for any breach or non compliance by the Unitholder of the provisions of this SID or SAI or any other instructions provided by the AMC;
 - f. accepting instructions from the first holder in case of joint account(s) having mode of operations as 'Anyone or Survivor';
 - g. not carrying out any such instructions where the AMC has reason to believe (which decision of the AMC the Unitholder(s) shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt;

- h. carrying out a Transaction after such reasonable verification as the AMC may deem fit regarding the identity of the Unitholder(s); and
- i. Non-compliance with the terms and conditions set out herein.

15. The Unitholder(s) shall be liable for the losses / consequences arising from any unauthorised transactions through SMS Transact or breach of terms and conditions provided herein or caused the loss by negligent actions such as not advising the AMC within a reasonable time about unauthorized access to or erroneous transactions in his account.

16. The Unitholder(s) agrees to indemnify the AMC, Trustee, Mutual Fund, their respective directors, employees or delegates, for all liabilities, losses, damages and expenses whatsoever which they may sustain or incur either directly or indirectly as a result of:

- a. any claims (including claims by third parties) for any refusal or for carrying out any Transaction by the AMC using SMS Transact based on instructions of the sole / first Unitholder(s);
- b. any unauthorized usage / unauthorized transactions concluded by using SMS Transact;
- c. fraud or dishonesty relating to any instruction by the Unitholder;
- d. incorrect / erroneous information provided by the Unitholder in the Debit Mandate or any other application form submitted by the Unitholder with the AMC; and
- e. any negligence / mistake or misconduct by the Unitholder(s) and / or for any breach or non compliance by the Unitholder of the provisions of this SID or SAI or any other instructions provided by the AMC.

All the other terms & conditions of the Statement of Additional Information / Scheme Information Document(s)/ Key Information Memorandum cum Application Form(s) remains 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.

Dated: October 14, 2011