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ADDENDUM

- **HDFC Balanced Fund**
An Open - ended Balanced Scheme
 Investment Objective : To generate capital appreciation along with current income from a combined portfolio of equity & equity-related instruments and debt & money market instruments.
- **HDFC Capital Builder Fund**
An Open - ended Growth Scheme
 Investment Objective : To achieve capital appreciation in the long term.
- **HDFC Cash Management Fund**
Treasury Advantage Plan
An Open - ended Income Scheme
 Investment Objective : To generate regular income through investment in debt securities and money market instruments.
- **HDFC Core & Satellite Fund**
An Open - ended Growth Scheme
 Investment Objective : To generate capital appreciation through equity investment in companies whose shares are quoting at prices below their true value.
- **HDFC Equity Fund**
An Open - ended Growth Scheme
 Investment Objective : To achieve capital appreciation.
- **HDFC Floating Rate Income Fund**
An Open - ended Income Scheme
 Investment Objective : To generate regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments, fixed rate debt / money market instruments swapped for floating rate returns and fixed rate debt securities and money market instruments.
- **HDFC Gilt Fund**
An Open - ended Income Scheme
 Investment Objective : To generate credit risk-free returns through investments in sovereign securities issued by the Central Government and/or a State Government.
- **HDFC Growth Fund**
An Open - ended Growth Scheme
 Investment Objective : To generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity-related instruments.
- **HDFC High Interest Fund**
An Open - ended Income Scheme
 Investment Objective : To generate income by investing in a range of debt and money market instruments of various maturity dates with a view to maximise income while maintaining the optimum balance of yield, safety and liquidity.
- **HDFC Income Fund**
An Open - ended Income Scheme
 Investment Objective : To optimise returns while maintaining a balance of safety, yield and liquidity.
- **HDFC Index Fund**
An Open - ended Index Linked Scheme
 Investment Objective :
 Nifty Plan (Face Value per Unit is Rs. 10.326) : To generate returns that are commensurate with the performance of the Nifty, subject to tracking errors.
 SENSEX Plan (Face Value per Unit is Rs. 32.161) : To generate returns that are commensurate with the performance of the SENSEX, subject to tracking errors.
 SENSEX Plus Plan (Face Value per Unit is Rs. 32.161) : To invest 80 to 90% of the net assets of the Plan in companies whose securities are included in SENSEX and between 10% & 20% of the net assets in companies whose securities are not included in the SENSEX.
- **HDFC Liquid Fund**
An Open - ended Liquid Income Scheme
 Investment Objective : To enhance income consistent with a high level of liquidity, through a judicious portfolio mix comprising of money market and debt instruments.
- **HDFC MF Monthly Income Plan**
An Open - ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus.
 Investment Objective : To generate regular returns through investment primarily in Debt and Money Market Instruments. The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. However, there can be no assurance that the investment objective of the Scheme will be achieved.
- **HDFC Premier Multi-Cap Fund**
An Open - ended Growth Scheme
 Investment Objective : To generate capital appreciation in the long term through equity investments by investing in a diversified portfolio of Mid Cap and Large Cap 'blue chip' companies.
- **HDFC Prudence Fund**
An Open - ended Balanced Scheme
 Investment Objective : To provide periodic returns and capital appreciation over a long period of time from a judicious mix of equity and debt investments with an aim to prevent/minimise any capital erosion.
- **HDFC Short Term Plan**
An Open - ended Income Scheme
 Investment Objective : To generate regular income through investment in debt securities and money market instruments.
- **HDFC Top 200 Fund**
An Open - ended Growth Scheme
 Investment Objective : To generate long-term capital appreciation from a portfolio of equity and equity-linked instruments primarily drawn from the companies in BSE 200 index.

INTRODUCTION OF HDFC FLEX SYSTEMATIC TRANSFER PLAN

HDFC Trustee Company Limited, the Trustee to HDFC Mutual Fund has decided to introduce **HDFC Flex Systematic Transfer Plan** (hereinafter referred to as "**Flex STP**") for the benefit of the Unitholders.

The terms and conditions of Flex STP are as follows:

1. HDFC Flex Systematic Transfer Plan ("Flex STP") is a facility wherein unit holder(s) of designated open-ended Scheme(s) of HDFC Mutual Fund can opt to transfer variable amount(s) linked to value of investments under Flex STP on the date of transfer at pre-determined intervals from designated open-ended Scheme(s) of HDFC Mutual Fund [hereinafter referred to as "**Transferor Scheme**"] to the **growth option** of designated open-ended Scheme(s) of HDFC Mutual Fund [hereinafter referred to as "**Transferee Scheme**"]. Currently, the Scheme(s) eligible for this facility are as follows: HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Index Fund, HDFC Balanced Fund, HDFC Prudence Fund, HDFC MF Monthly Income Plan (an open - ended income scheme. *Monthly income is not assured and is subject to availability of distributable surplus*), HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Income Fund, HDFC High Interest Fund, HDFC Short Term Plan, HDFC Cash Management Fund, HDFC Gilt Fund, HDFC Floating Rate Income Fund and HDFC Liquid Fund.

The above list is subject to change from time to time. Please contact the nearest Investor Service Centre (ISC) of HDFC Mutual Fund for updated list.

2. HDFC Flex STP Enrolment Form should be completed in English and in Block Letters only. Please tick (?) in the appropriate box (?), where boxes have been provided. The Flex STP Enrolment Form complete in all respects, should be submitted at any of the Investor Service Centres (ISCs) of HDFC Mutual Fund.
3. A single Flex STP Enrolment Form can be filled for transfer into one Scheme/Plan/Option only.
4. In case of valid enrolment forms received, indicating choice of option other than the growth option in the Transferee Scheme, it will be **deemed as the growth option** in the Transferee Scheme and processed accordingly.
5. Investors are advised to read the Scheme Information Document(s) of the Transferee Scheme(s) and Statement of Additional Information carefully before investing. The Scheme Information Document(s)/ Statement of Additional Information / Key Information Memorandum(s) of the respective Scheme(s) are available with the ISCs of HDFC Mutual Fund, brokers/distributors and also displayed at the HDFC Mutual Fund website i.e. **www.hdfcfund.com**.
6. Unit holders should note that unit holders' details and mode of holding (single, jointly, anyone or survivor) in the Transferee Scheme will be as per the existing folio number of the Transferor Scheme. Units will be allotted under the same folio number. Unitholders' name should match with the details in the existing folio number, failing which the enrolment form is liable to be rejected.
7. Flex STP offers transfer facility at daily, weekly, monthly and quarterly intervals. Unit holder is free to choose the frequency of such transfers.
8.
 - a. Under the **Flex STP - Daily Interval**, unit holders will be eligible to transfer {fixed amount to be transferred per installment **or** the amount as determined by the following **formula** [(fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher**} on every Business Day. In case the amount (as specified above) to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.
 - b. Under the **Flex STP - Weekly Interval**, unit holders will be eligible to transfer {fixed amount to be transferred per installment **or** the amount as determined by the following **formula** [(fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher**} on every Friday. In case the amount (as specified above) to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.
 - c. Under the **Flex STP - Monthly Interval**, unit holders will be eligible to transfer {fixed amount to be transferred per installment **or** the amount as determined by the following **formula** [(fixed amount to be transferred per installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher**} on the 1st, 5th, 10th, 15th, 20th or 25th of each month. In case the amount (as specified above) to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.
 - d. Under the **Flex STP - Quarterly Interval**, unit holders will be eligible to transfer {fixed amount to be transferred per installment **or** the amount as determined by the following **formula** [(fixed amount to be transferred per

installment X number of installments including the current installment) - market value of the investments through Flex STP in the Transferee Scheme on the date of transfer] **whichever is higher** on the 1st, 5th, 10th, 15th, 20th or 25th of the first month of each quarter. The beginning of the quarter could be of any month e.g. April, August, October, November, etc. In case the amount (as specified above) to be transferred is not available in the Transferor Scheme in the unit holder's account, the residual amount will be transferred to the Transferee Scheme and Flex STP will be closed.

- e. In case the date of transfer falls on a Non-Business Day or falls during a book closure period, the immediate next Business Day will be considered for the purpose of determining the applicability of NAV.
- f. The first Flex STP installment will be processed for the fixed installment amount specified by the unitholder at the time of enrolment. From the second Flex STP installment onwards, the transfer amount shall be computed as per formula stated above.
- g. The total Flex STP installment amount invested in the Transferee Scheme shall not exceed the total enrollment amount specified by the unitholder at the time of enrollment i.e. amount per installment X number of installments.
- h. The redemption/ switch-out of units allotted in the Transferee Scheme shall be processed on First In First Out (FIFO) basis. In case there is a redemption/ switch-out of any units allotted under Flex STP, the balance installments under Flex STP will be processed for the fixed installment amount specified by the unitholder at the time of enrolment subject to clause 8(g) above.
- i. **Illustration 1: How to calculate the transfer amount?**

Flex STP Enrolment Details :

Transferor Scheme	:	HDFC Income Fund
Transferee Scheme	:	HDFC Equity Fund - Growth Option
Date & Frequency of Flex STP	:	15th date - Monthly Interval
Amount of Transfer per Installment	:	Rs. 5,000/-
Number of Installments	:	12
Enrolment Period	:	January - December 2009

Calculation of Flex STP installment amount on the date of the fourth installment i.e. April 15, 2009:

- Total units allotted upto the date of last installment i.e. March 15, 2009 is assumed as 1,371.22;
- The NAV of HDFC Equity Fund - Growth Option on April 15, 2009 is assumed as Rs 9/- per unit;
- Hence the market value of the investment in the Transferee Scheme on the date of transfer is Rs. 12,340.91 [1,371.22 X 9].

The installment amount will be calculated as follows:

Fixed amount specified at the time of enrolment : Rs. 5,000/-

or

As determined by the **formula** : [(5,000 X 4) - 12,340.91]
= Rs. 7,659.09

whichever is higher.

Hence, on April 15, 2009, the installment amount transferred to the Transferee Scheme will be Rs. 7,659.09

Note 1 : The Flex STP installment dates above are assumed to be Business Days.

- j. **Illustration 2: How to calculate the transfer amount?**

FLEX STP Enrolment Details :

Transferor Scheme	:	HDFC Floating Rate Income Fund - Short Term Plan
Transferee Scheme	:	HDFC MF Monthly Income Plan - Long Term Plan - Growth Option
Date & Frequency of Flex STP	:	1st date - Monthly Interval
Amount of Transfer per Installment	:	Rs. 5,000/-
Number of Installments	:	12
Enrolment Period	:	January - December 2009

Calculation of Flex STP installment amount on the date of the seventh installment i.e. July 1, 2009:

- Total units allotted upto the date of last installment i.e. June 1, 2009 is assumed as 4,196.43;
- NAV of HDFC MF Monthly Income Plan - Long Term Plan - Growth Option on July 1, 2009 is assumed as Rs 10/- per unit;
- Hence the market value of the investment in the Transferee Scheme on the date of transfer is Rs. 41,964.29 [4,196.43 X 10].

The installment amount will be calculated as follows :

Fixed amount specified at the time of enrolment : Rs. 5,000/-

or

As determined by the **formula** : [(5,000 X 7) - 41,964.29]
= Rs. -6,964.29

whichever is higher.

Hence, on July 1, 2009, the installment amount transferred to the Transferee Scheme will be Rs. 5,000/-.

Note 1 : The Flex STP installment dates above are assumed to be Business Days.

9. a. The minimum amount per Flex STP installment is as follows :
 - Flex STP - Daily Interval : Rs. 500/- and any amount thereafter.
 - Flex STP - Weekly & Monthly Interval: Rs. 1,000/- and any amount thereafter.
 - Flex STP - Quarterly Interval: Rs. 3,000/- and any amount thereafter.
 - b. The minimum number of installments for enrolment under Daily Flex STP:
 - minimum of 12 installments where installment amount is less than Rs. 1,000/-.
 - minimum of 6 installments where installment amount is equal to or greater than Rs. 1,000/-.
 - c. There should be a minimum of 6 installments for enrolment under Weekly and Monthly Flex STP and 2 installments for Quarterly Flex STP.
 - d. The minimum unit holder's account balance or a minimum amount of application at the time of Flex STP enrolment in the Transferor Scheme should be Rs. 12,000.
 - e. In case of Flex STP- Daily and Weekly Interval, the commencement date shall be within 15 days from the date of receipt of a valid request.
 - f. The application for enrollment for Flex STP - Monthly & Quarterly Interval should be submitted at least 10 Days before the commencement date of the same.
 - g. In case of Daily / Weekly Interval and Monthly/ Quarterly Interval, Unitholders are required to fill in the number of installments and the enrolment period respectively in the Enrollment Form, failing which the form is liable to be rejected.
 - h. There is no maximum duration for Flex STP enrolment.
10. a. In respect of Flex STP enrolments made in the above-mentioned Transferee Scheme(s), the Load Structure prevalent at the time of enrolment shall govern the investors during the tenure of the Flex STP.
 - b. The details of Load Structure for investments through Flex STP are as follows:-

The amount transferred under the Flex STP from the Transferor Scheme to the Transferee Scheme will be effected by redeeming units of Transferor Scheme at applicable NAV, **after payment of Exit Load**, if any, and subscribing to the units of the Transferee Scheme at Applicable NAV, **without payment of any Entry Load#**, as on the specified date of a month or a quarter. Units will be allotted in the Transferee Scheme(s) on the above applicable dates.

No entry load will be charged with respect to applications for registrations under Flex STP accepted by the Mutual Fund. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder.

Applicable Exit Load, if any, in the Transferee Scheme / Plan / Option as on the date of enrolment of units will also be levied.
11. Flex STP will be automatically terminated if all units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of the unit holder.
 12. The provision of '**Minimum Redemption Amount**' as specified in the Scheme Information Document(s) of the respective designated Transferor Scheme(s) and '**Minimum Application Amount**' specified in the Scheme Information Document(s) of the respective designated Transferee Scheme(s) will not be applicable for Flex STP.

13. An Account Statement will be issued by mail or by e-mail (if opted by the unit holder) to the unit holder within 10 working days for the first investment through Flex STP. The subsequent account statement will be despatched once every quarter ending March, June, September and December within 10 working days of the end of respective quarter. In case of specific request received from investors, Mutual Fund will provide the account statement to the investors within 5 working days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under Flex STP to their e-mail address on a monthly basis, if so mandated.
14. Unit holders will have the right to discontinue the Flex STP facility at any time by sending a written request to the ISC. Notice of such discontinuance should be received at least 7 days prior to the due date of the next transfer date. On receipt of such request, the Flex STP facility will be terminated. In case of Flex STP - Daily Interval, termination of Flex STP will be effective not later than the 7th Business Day from the date of receipt of written request.
15. **HDFC Flex STP in any manner whatsoever is not an assurance or promise or guarantee on part of HDFC Mutual Fund/ HDFC Asset Management Company Limited to the Unit holders in terms of returns or capital appreciation or minimization of loss of capital or otherwise.**
16. The Trustee reserve the right to change/modify the terms and conditions of the Flex STP. The Trustee reserves the right to withdraw the Flex STP.

HDFC Flex STP will be available for enrolment with effect from **April 12, 2010**.

The Trustee reserves the right to change the terms and conditions of the Flex STP at a later date on a prospective basis.

All other terms and conditions of the Schemes remain unchanged.

This addendum shall form an integral part of the Scheme Information Document /Key Information Memorandum of Schemes of HDFC Mutual Fund as amended from time to time.

This Addendum is dated March 31, 2010.

Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. Investors in the Scheme are not being offered any guaranteed /assured returns. Please read the Scheme Information Document and Statement of Additional Information before investing.

Statutory Details: HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of Rs. 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager.