

Regd. Office: Ramon House, 3rd Floor, H. T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020
 Phone : 022-66316300, Toll Free No. 1800 233 6767, Fax : 022-22821144, e-mail : cliser@hdfcfund.com

website : www.hdfcfund.com

ADDENDUM

- **HDFC Children's Gift Fund**
An Open - ended Balanced Scheme
 Investment Objective of both the Plans :
 To generate long-term capital appreciation.

CHANGE IN THE TERMS OF PERSONAL ACCIDENT INSURANCE COVER

HDFC Mutual Fund has decided to cover the Parent/ Legal Guardian of the Unit holder (beneficiary child) under the Group Personal Accident Insurance Policy (referred to as the "Policy") obtained from The New India Assurance Company Limited for all subscriptions received (including bonus Units / Units allotted on dividend reinvestment, if any, etc. but excluding ongoing SIP instalments falling due on or after **August 1, 2009** unless otherwise intimated by the Unit holder to avail the terms of the new Policy) effective **August 1, 2009**. Therefore, under the revised Group Personal Accident Insurance Cover, the **insured is the Parent/ Legal Guardian of the Unit holder as mentioned in the Application form and not the Unit holder i.e. beneficiary child.**

The revised features of Personal Accident Insurance Cover offered by the Scheme are as under:

1. Insured:

The Parent/ Legal Guardian (Resident/ Non-Resident) of a Unit holder named in the Application Form will be covered upto the age of 80 years (subject to conditions of the Policy) under the group personal accident insurance cover for death by accident or permanent total disability or permanent partial disability sustained due to accident.

2. Capital Sum Insured (CSI):

The Capital Sum Insured under the personal accident insurance cover will be equivalent to 10 times of the cost value of the outstanding Units (including bonus Units / Units allotted on dividend reinvestment, if any, etc. but excluding ongoing SIP instalments falling due on or after August 1, 2009 unless otherwise intimated by the Unit holder to avail the terms of the new Policy) held by the Unit holder (i.e. Units allotted on or after August 1, 2009 at the continuous offer / NAV based price Less Units Redeemed), under all the applications / account statements / folios subject to a maximum amount of Rs. 10 lakhs per Unit holder. The compensation payable to each Unit holder/Insured under the Policy shall not carry any interest.

3. Term of the Insurance Benefit:

The personal accident insurance cover, covering the Parent/ Legal Guardian (upto the age of 80 years) of the Unit holder (named in the Application form) will commence from the date of allotment of Units till the Unit holder attains 18 years of age or till such date as the Units are redeemed in accordance with the terms and conditions stated in the Scheme Information Document, whichever is earlier. In the case of an accident resulting in death or permanent total disability of the Resident/ Non-Resident Parent / Legal Guardian of the Unit holder, the legal representative of the Unit holder may file the claim directly with the designated branch of The New India Assurance Company Limited supported by all relevant documents as the payment of the claim shall be made in favour of the Unit holder. In the case of an accident resulting in permanent partial disablement of the insured i.e. the Parent / Legal Guardian, the payment of the claim shall be made to the insured, the sum or sums as set forth in the Policy.

4. Benefits:

Death due to accident: 100% of CSI

For permanent total disability: 100% of CSI

Loss of 2 eyes or 2 limbs OR 1 eye and 1 limb in an accident: 100% of CSI

Loss of 1 eye or 1 limb in an accident: 50% of CSI

Any other permanent partial disablement as per scale below:

Part Lost	% of CSI
i. Loss of toes - all	20
Great - both phalanges	05
Great - one phalanx	02
Other than great, if more than one toe lost each	01
ii. Loss of hearing - both ears	75
iii. Loss of hearing - one ear	30
iv. Loss of four fingers and thumb of one hand	40
v. Loss of four fingers	35
vi. Loss of thumb	
- both phalanges	25
- one phalanx	10

Part Lost	% of CSI
vii. Loss of index finger - three phalanges or two phalanges or one phalanx	10
viii. Loss of middle finger - three phalanges or two phalanges or one phalanx	06
ix. Loss of ring finger - three phalanges or two phalanges or one phalanx	05
x. Loss of little finger - three phalanges or two phalanges or one phalanx	04
xi. Loss of meta carpels first or second (additional) or third, fourth or fifth (additional)	03
xii. Any other permanent partial disablement	% as assessed by the Panel Doctor of The New India Assurance Company Limited (NIAC)

5. Scope of Benefits:

If the Parent/ Legal Guardian covered by the personal accident insurance policy shall sustain any bodily injury resulting solely and directly from an accident caused by outward violent and visible means then the insurer shall pay to the insured, the sum or sums hereinafter set forth that is to say:

- a. If such injury shall within 12 calendar months of its occurrence be the sole and direct cause of death of the Parent/ Legal Guardian covered by the personal accident insurance policy, the CSI.
- b. If such injury shall within 12 calendar months of its occurrence be the sole and direct cause of total and irrecoverable loss of sight of both eyes, or of the actual loss by physical separation of the two entire hands or two entire feet or of one entire hand and one entire foot, or of such loss of one eye and such loss of one entire hand or of such loss of one entire foot of an insured person, the CSI.
- c. If such injury shall within 12 calendar months of its occurrence be the sole and direct cause of total and irrecoverable loss of sight of one eye, or of the actual loss of by physical separation of one entire hand or one entire foot of an insured person, (50%) fifty percent of the CSI.
- d. If such injury shall as a direct consequence thereof immediately, permanently, totally, and absolutely disable an insured person from engaging in being occupied or giving attention to paid employment or occupation of any description whatsoever, the CSI.
- e. If such injury shall within 12 calendar months of its occurrence be the sole and direct cause of the permanent partial disablement as mentioned in the benefits of the insured person, relevant percent of CSI.
- f. The Parent/ Legal Guardian covered by the Policy shall be entitled to receive full payment as herein provided, notwithstanding that such Parent/ Legal Guardian may have been covered or may hereafter be covered by a policy of insurance issued by any other insurer or by the insurer, the liability of the insurer being full and absolute under the personal accident insurance policy without any reduction or abatement of the claim.

Provisos

PROVIDED ALWAYS THAT the Insurer shall not be liable under the personal accident insurance policy for:

- Compensation under more than one of the foregoing sub-clauses (a), (b), (c), (d) or (e) in respect of the same injury or disablement of an insured person.
- Payment of compensation in respect of injury or disablement directly or indirectly arising out of or contributed to by or traceable to any disability existing on the date of issue of the personal accident insurance policy.
- Payment of compensation in respect of death, injury or disablement of the insured from:
 - i) intentional self injury, suicide or attempted suicide,
 - ii) whilst under the influence of intoxicating liquor or drug,
 - iii) whilst racing on wheels, hunting, big game shooting, mountaineering or whilst engaged in winter sports, such as skiing and ice hockey,
 - iv) directly or indirectly caused by insanity,
 - v) arising or resulting from the insured committing any breach of law with criminal intent.
- Payment of compensation in respect of death, injury, or disablement of an insured person due to or arising out of or directly or indirectly connected with or traceable to war, invasion, hostile act of foreign enemy, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, mutiny, military or usurped power, seizure, capture, arrests, restraints and detainment of all kings, princes and people of whatsoever nationality.
- Payment of compensation in respect of death of/or injury or disablement of the insured person directly or indirectly caused by or contributed to by or arising from or traceable to ionizing radiation or contamination by radio activity from any source whatsoever or from nuclear weapon materials.

6. Coverage Period:

The period of personal accident insurance cover, covering the Parent/ Legal Guardian (upto the age of 80 years) of the Unit holder (named in the Application form) will commence from the date of allotment of Units and will cease to exist on the date on which the Unit holder attains 18 years of age or on the date on which all Units are redeemed in accordance with the terms and conditions stated in the Scheme Information Document, whichever is earlier.

7. Claim:

- (i) In the case of an accident resulting in death or permanent total disability of the Resident/ Non Resident Parent / Legal Guardian of the Unit holder, the legal representative of the Unit holder may file the claim directly with the designated branch of The New

India Assurance Company Limited supported by all relevant documents. The payment of the claim shall be made to the Unit holder. In the case of an accident resulting in permanent partial disablement of the insured i.e. the Parent / Legal Guardian, the payment of the claim shall be made to the insured, the sum or sums as set forth in the Policy.

(ii) All insurance claims will be settled in India and shall only be payable in Indian Rupees.

8. Servicing of Claims:

In the event of claim, the following guidelines shall be required to be complied for speedy processing of claims and their settlement:

- With all convenient despatch intimation in writing of the claim to the following office of Insurer soon after occurrence of any claim.

The New India Assurance Company Limited

Branch: 140104, Jeevan Seva, 2nd Floor,
Swami Vivekanand Road, Santacruz (W),
Mumbai 400 054.

Tel.: (022) 26131661. Fax : (022) 26130697.

- Claim form - prescribed Claim form should be returned to the above designated office of Insurer within a reasonable time of the receipt of the same from them on intimation of the claim.

The Claim form should be completed in all respects and returned alongwith:

- Disability Certificate of Attending Doctor/Hospital/ Nursing Home and other supporting medical evidence for claims other than death.
- In case of accidental death to furnish the Death Certificate, Post Mortem Report and / or Police Report as may be available.
- Proof of age of the deceased Parent/ Legal Guardian of the Unit holder.

9. Arbitration:

If any difference shall arise as to the quantum to be paid under the personal accident insurance policy (liability being otherwise admitted) such difference shall independently of all other questions to be referred to the decision of a sole Arbitrator to be appointed in writing by the parties in difference (Parent/ Legal Guardian of the Unit holder and Insurer) in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

10. Conditions applicable:

a. Mis-description

The personal accident insurance cover under the personal accident insurance policy shall be void in respect of Parent/ Legal Guardian in the event of any misrepresentation, mis-description or non-disclosure of any material fact in the claim made under the personal accident insurance policy by the Unit holder.

b. Fraud

If any claim under the personal accident insurance policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the person insured or any one acting on his/her behalf to obtain any benefit under the personal accident insurance policy all his/her claim under the personal accident insurance policy shall be forfeited.

Investors / Parents / Legal Guardian of the Unit holder should note that:

- The Unit holders (through their Parent/ Legal Guardian) covered under the existing Personal Accident Insurance Policy will be given an option to opt for the revised Personal Accident Insurance cover at monthly intervals. Once opted, the change will be irreversible. A separate communication in this regard will be addressed to the Unit holders to exercise their option.

Accordingly, the first Period during which existing Unit holders will be given an option to opt for the revised Personal Accident Insurance cover will be from August 1, 2009 to August 31, 2009 and subsequently, the period would be each calendar month. All requests opting for new cover received during the calendar month will be made effective from the 1st of next calendar month. For example, if an existing Unit holder has lodged the request opting for new cover on August 10, 2009 it will be effective from September 1, 2009. The existing insurance cover will prevail till close of August 31, 2009. The Trustee/AMC reserves the right to change the designated date/frequency from time to time.

The Unit holders (through their Parent/ Legal Guardian) not exercising the option as mentioned above shall continue to be covered under the existing Personal Accident Insurance Policy.

- The insurance premium in respect of the personal accident insurance cover will be borne by the AMC.
- The Trustee, AMC, Mutual Fund or their Directors, or their employees shall not be liable for any claims (including but not limited to rejection of any claim, non settlement, delays etc.) arising out of the personal accident insurance cover provided to the Parent/ Legal Guardian or the Surviving Parent as the case may be.
- The Trustee/AMC reserves the right to modify/ annul the said personal accident insurance cover on a prospective basis. The AMC also reserves the right to change the insurance company from time to time.

All other terms & conditions of the Scheme will remain unchanged.

This addendum forms an integral part of the Scheme Information Document /Key Information Memorandum of HDFC Children's Gift Fund as amended from time to time.

This Addendum is dated July 17, 2009

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. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Scheme are not being offered any guaranteed /assured returns. The NAV of the units issued under the Scheme may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk. **HDFC Children's Gift Fund** (an open-ended balanced scheme; the objective of both the Plans under the Scheme is to generate long term capital appreciation) is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. In view of the individual nature of tax consequences, each investor is advised to consult his/her professional tax advisor. 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.