

IDBI Asset Management Limited

IDBI Asset Management Ltd., 5th Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021.
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Addendum No.16/2011

Unit holders of IDBI Mutual Fund are requested to peruse this addendum published in view of:

1. Change in Custodian
2. Change in Fund Manager
3. SEBI circular dated August 22, 2011 stipulating guidelines on Transaction Charges and Consolidated Account Statement.

1. Change in Custodian

Investors are hereby notified that with effect from November 11, 2011, Stock Holding Corporation of India Ltd.(SHCIL) has been entrusted with the custodial functions for the schemes launched by IDBI Mutual Fund.

2. Change in Fund Manager

Investors are requested to take note of the change in the Fund Managers of schemes launched by IDBI Mutual Fund, as mentioned below:

Name of the schemes	Name of the new Fund Managers
IDBI Nifty Index Fund	Mr.V.Balasubramanian
IDBI Nifty Junior Index Fund	Mr.V.Balasubramanian
IDBI Monthly Income Plan	Mr.Gautam Kaul (Debt)
	Mr.V.Balasubramanian (Equity)
IDBI Gold Exchange Traded Fund	Mr.V.Balasubramanian

3. SEBI, vide circular no. CIR/IMD/DF/13/ 2011 dated August 22, 2011, has stipulated guidelines on transactions charges and Consolidated Account Statement.

I Transaction Charges:

Pursuant to circular no. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009 on empowering investors through transparency in payment of commission and load structure, SEBI vide circular no. CIR/IMD/DF/13/2011 dated August 22, 2011 has stipulated that transaction charge per subscription of Rs.10,000/- and above be paid to the distributors of the Mutual Fund products with effect from August 22, 2011. However, there shall be no transaction charges on direct investments. The conditions applicable for transaction charges are listed by SEBI in their circular dated August 22, 2011. The excerpts are as under:

1. For existing investors in a Mutual Fund, the distributor may be paid Rs. 100/- as transaction charge per subscription of Rs. 10,000/- and above. There shall be no transaction charge on subscription below Rs. 10,000/-
2. The distributor may be paid Rs. 150/- as transaction charge for a first time investor in Mutual Funds. The transaction charge, if any, shall be deducted by the AMC from the subscription amount and paid to the distributor; and the balance shall be invested. The net investment as gross subscription less transaction charge shall be clearly indicated in the statement of account issued to the investor subsequent to the allotment.
3. Distributors shall be able to choose to opt out of charging the transaction charge. However, the 'opt-out' shall be at distributor level and not investor level i.e. a distributor shall not charge one investor and choose not to charge another investor.
4. In case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs amounts to Rs. 10,000/- and above. In such cases the transaction charge shall be recovered in 3-4 installments.
5. There shall be no transaction charge on transactions other than purchases/ subscriptions relating to new inflows.

II. Consolidated Account Statement:

1. Consolidated account statement for each calendar month will be issued to the investors in whose folios transactions have taken place during that month.
2. In the case NFO applications, a confirmation specifying the number of units allotted to the applicant will be sent by way of email and/or SMSs to the applicant's registered email address and/or mobile number as soon as possible but not later than five working days from the date of closure of the initial subscription list. On receipt of specific request from the unitholder, if any, the allotment advice will be provided within five working days from the date of receipt of such request.
3. Consolidated account statement for each calendar month will be issued on or before the tenth day of the succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid to the distributor, across all schemes of all mutual funds, to all the investors in whose folios transaction has taken place during that month.
4. A half yearly consolidated account statement (September/ March) will be issued, on or before tenth day of succeeding month, detailing holding at the end of the six months, across all schemes of all mutual funds, to all such investors in whose folios no transaction has taken place during that period.

All the other terms and conditions of the Scheme Information Document (SID) of the schemes launched by IDBI Mutual Fund, read with the addenda issued from time to time, will remain unchanged.

For IDBI Asset Management Ltd.
(Investment Manager for IDBI Mutual Fund)
Sd/-

Place : Mumbai

(C. M. Mahesh Kumar)

Date : 24/11/2011

Compliance Officer

Statutory Details: IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. (liability restricted to Rs.10 lakhs) with IDBI MF Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with IDBI Asset Management Ltd. as the Investment Manager. **Risk Factors:** All mutual funds and securities investments are subject to market risks and there can be no assurance that the objective of the Scheme will be achieved. The NAV of the units issued under Scheme may go up or down depending upon the factors and forces affecting the securities markets. Please read the Scheme Information Documents (SID) and Statement of Additional Information (SAI) carefully before investing. IDBI Nifty Index Fund, IDBI Nifty Junior Index Fund, IDBI Monthly Income Plan and IDBI Gold Exchange Traded Fund, open ended schemes, are only the names of the schemes and do not in any manner indicate either the quality of the schemes or their future prospects and returns. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 10 lakhs made by it towards setting up the Fund. The performance of the sponsor has no bearing on the expected performance of the scheme. IDBI Mutual fund has not launched any guaranteed or assured return scheme.

Investment Objective:- IDBI Monthly Income Plan (income scheme): To provide regular income along with opportunities for capital appreciation through investments in a diversified basket of debt instruments, equity and money market instruments. **IDBI Nifty Index Fund (passively managed equity scheme):** To invest in the stocks and equity related instruments comprising the S&P CNX Nifty Index in the same weights as these stocks represented in the Index with the intent to replicate the performance of the Total Returns Index of S&P CNX Nifty index. The scheme may also invest in derivatives instruments such as Futures and Options linked to stocks comprising the Index or linked to the S&P CNX Nifty index. The scheme will adopt a passive investment strategy and will seek to achieve the investment objective by minimizing the tracking error between the S&P CNX Nifty index (Total Returns Index) and the scheme. **IDBI Nifty Junior Index Fund (passively managed equity scheme):** To invest in the stocks and equity related instruments comprising the CNX Nifty Junior Index in the same weights as these stocks represented in the Index with the intent to replicate the performance of the Total Returns Index of CNX Nifty Junior Index. The scheme may also invest in derivative instruments such as Futures and Options linked to stocks comprising the Index or linked to the CNX Nifty Junior Index as and when the derivative products on the same are made available. The scheme will adopt a passive investment strategy and will seek to achieve the investment objective by minimizing the tracking error between the CNX Nifty Junior Index (Total Returns Index) and the scheme. **IDBI Gold Exchange Traded Fund:** To invest in physical Gold with the objective to replicate the performance of Gold in domestic prices. The ETF will adopt a passive investment strategy and will seek to achieve the investment objective by minimizing the tracking error between the Fund and the underlying asset.

Load Structure:- Entry load: Nil. Exit Load(IDBI Nifty Index Fund, IDBI Nifty Junior Index Fund, IDBI Monthly Income Plan): 1% for exit on or before 1 year from the date of allotment and on or before 1 year from the date of allotment of each installment in case of SIP. Exit Load(IDBI Gold Exchange Traded Fund): Nil.

Being open-ended schemes, IDBI Nifty Index Fund, IDBI Nifty Junior Index Fund and IDBI Monthly Income Plan offers units for Purchase/ Redemption/switch in/switch out/sale at NAV based prices on all Business Days on an ongoing basis.

Units of IDBI Gold Exchange Traded Fund are listed for trading in NSE & BSE. Direct purchase/ redemption facility is available only for transactions of 1000 units or above.

NAV Disclosure: NAV of the Schemes will be computed on all business days & published in two daily newspapers on all business days.

For further information please contact: IDBI Asset Management Ltd., 5th Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021. Tel: 022-66442800, Fax: 022-66442801.