

# NOTICE CUM ADDENDUM



Pursuant to SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 & Securities and Exchange Board Of India (Mutual Funds) (Second Amendment) Regulations, 2012, the AMC (the Asset Management Company) has decided to make the following changes in the Schemes of SBI Mutual Fund as under w.e.f. October 01, 2012:

## 1. Total Expense Ratio (TER):

- a) The AMC may charge the scheme with investment and advisory fees as disclosed in the Scheme Information Document / Offer Document.
- b) In case of a fund of funds scheme, the total expenses of the scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50 percent of the daily net assets of the scheme.
- c) The total expenses of the scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the asset management company, but including the investment management and advisory fee as well other allowable expenses shall be subject to the following limits\*:
  - i) on the first Rs.100 crores of the daily average net assets 2.70%
  - ii) on the next Rs.300 crores of the daily average net assets 2.45%
  - iii) on the next Rs.300 crores of the daily average net assets 2.20%
  - iv) on the balance of the assets 1.95%

\* including additional limit of 0.20% specified in sub regulation (6A)(c) of Regulation 52 of SEBI (Mutual Funds) Regulations, 1996.

Further, in respect of a debt scheme (including liquid schemes), such recurring expenses shall be lower by at least 0.25% of the daily average net assets outstanding in each financial year.

In addition to the above, the following expenses will be charged to the scheme:

- 1) The service tax on investment management and advisory fees
- 2) Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 percent in case of cash market transactions and 0.05 percent in case of derivatives transactions
- 3) Expenses not exceeding of 0.30 percent of daily net assets, if the new inflows from such cities as specified from time to time are at least –

- 30 percent of gross new inflows in the scheme, or;
- 15 percent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii) such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities:

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

- d) In case of Index Fund Scheme or Exchange Traded Fund, expenses shall be based on the basis of daily net assets.

## 2. The exit load charged, if any (Net of Service Tax) shall be credited to the scheme.

## 3. Service tax on brokerage and transaction cost paid for asset purchases, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

## 4. In order to comply with the SEBI Circular dated September 13, 2012, pertaining to single plan structure for mutual fund schemes, the AMC has decided not to accept any fresh / additional subscription including switches under the following plans:

- SBI Premier Liquid Fund – Institutional Plan – Growth & Dividend / Weekly & Fortnightly Dividend.
- SBI Short Horizon Debt Fund – Ultra Short Term Fund – Institutional Plan – Growth & Daily / Monthly / Weekly / Fortnightly Dividend.
- SBI Magnum Income Fund – Floating Rate – LTP – Institutional Plan – Growth / Dividend.
- SBI Short Horizon Debt Fund – Short Term Fund – Retail Plan – Growth & Weekly / Fortnightly / Monthly / Dividend.
- SBI Magnum Gilt Fund – Long Term – PF – Fixed Period – 1 year, 2 years & 3 years – Growth / Dividend and PF - Regular – Growth / Dividend

Accordingly, existing systematic investments, systematic switch-ins and dividend reinvestments or any other corporate action shall be discontinued w.e.f. November 01, 2012.

## 5. Applicability of NAV for all Schemes of SBI Mutual Fund (except Liquid Schemes) - In partial modification to SEBI circular no. SEBI/IMD/CIR No. 11/142521/08 dated October 24, 2008 and Cir/IMD/DF/19/2010 dated November 26, 2010, in respect of purchase of units of mutual fund schemes (other than liquid schemes), the closing NAV of the day on which the funds are available for utilization shall be applicable for application amount equal to or more than Rs. 2 lakhs, provided the funds are realised up to 3.00 pm on a business day, subject to the transaction being time stamped appropriately. For all subscriptions below Rs. 2 lakhs in non-liquid schemes, allotment of units will be based on the NAV as per time stamp.

## 6. Additional investment restrictions for all the debt Schemes (including liquid schemes) of SBI Mutual Fund - Total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the scheme.

All other terms and conditions of the scheme(s) remain unchanged. This Addendum forms an integral part of the Scheme Information Document(s)/Key Information Document of the Scheme(s) as amended from time to time.

For SBI Funds Management Pvt. Ltd.

Sd/-

Deepak Kumar Chatterjee  
Managing Director & CEO

Place: Mumbai  
Date : September 28, 2012

**Asset Management Company**  
**SBI Funds Management Private Limited**  
(A joint venture between SBI & AMUNDI)  
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**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**