

## NOTICE CUM ADDENDUM NO. 8/2014

### Alignment of Total Expense Ratio (TER) of IDBI Ultra Short Term Fund in line with the TER permissible under Regulation 52 (6) of SEBI (MF) Regulations, 1996

Unit holders of IDBI Ultra Short Term Fund (scheme) are requested to note that it has been decided to align the Total Expense Ratio (TER) of the scheme in line with the maximum limits provided under Regulation 52(6) of SEBI (MF) Regulations, 1996. The revision in TER has been approved by the Board of IDBI Asset Management Ltd (AMC) and IDBI MF Trustee Company Ltd.. Further, Securities and Exchange Board of India (SEBI) has informed the AMC that they have no objection to the aforesaid revision. The current TER and the proposed TER is provided in the table below –

| Expense Head / Nature of Expense (i)   | TER as % of Daily Net Assets (p.a.) |                 |
|--|-------------------------------------|-----------------|
|  | Disclosed in NFO SID (Current) (ii) | Proposed* (iii) |
| Investment Management & Advisory Fees  | 0.30%                               |                 |
| Trustees Fees  | 0.01%                               |                 |
| Audit Fees   | 0.01%                               |                 |
| Custodian Fee  | 0.01%                               |                 |
| Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/ redemption cheques / warrants etc. | 0.04%                               |                 |
| Cost related to investor communications  | 0.01%                               |                 |
| Cost of fund transfer from location to location  | 0.01%                               |                 |
| Marketing & Selling Expenses including Agents Commission and statutory advertisement   | 0.01%                               |                 |
| Cost towards investor education & awareness (minimum 2 bps)  |                                     |                 |
| Brokerage and transaction costs pertaining to the distribution of units  | 0.10%                               |                 |
| Brokerage & transaction cost over and above 12 bps (0.12%) and 5 bps (0.05%) for cash and derivative transactions respectively       |                                     |                 |
| Service tax on expenses other than investment and advisory fees  |                                     |                 |
| Service tax on brokerage and transaction cost  |                                     |                 |
| Other Expenses as permitted by SEBI regulations  |                                     |                 |
| <b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>                                     | Up to 0.50%                         | Up to 2.25%     |
| Additional expenses under regulation 52 (6A) (c)   | Up to 0.20%                         | Up to 0.20%     |
| Additional expenses for gross new inflows from specified cities i.e. beyond top 15 cities  | Up to 0.30%                         | Up to 0.30%     |

\* Break up of individual heads of expenses, as proposed (column (iii)), is not provided since the permissible expenses are now fungible under SEBI (MF) Regulations.

The total expenses of the scheme excluding issue or redemption expenses, whether initially borne by the Mutual Fund or by the AMC, additional expense permitted under Regulation 52 (6A) (c) of SEBI (MF) Regulations, 1996 and towards distribution of assets in cities beyond Top 15 cities, but including the investment management and advisory fee shall be subject to the following limits :—

- On the first Rs.100 Crores of the daily net assets 2.25%;
- On the next Rs.300 Crores of the daily net assets 2.00%;
- On the next Rs.300 Crores of the daily net assets 1.75%;
- On the balance of the assets 1.50%

Apart from the above revision, all other features and attributes of the scheme will continue to remain the same. The above revision (column iii of table) in the TER will come to effect from May 19, 2014. The above revision constitutes a change in the fundamental attribute of the scheme as per Regulation 18 (15 A). An individual letter has been issued to all unit holders informing the aforesaid revision and providing an option to exit the scheme within 30 days from the date of the letter at prevailing Net Asset Value (without exit load), before the change becomes effective (i.e. on or before May 16, 2014).

**For IDBI Asset Management Ltd.**

(Investment Manager for IDBI Mutual Fund)

Place : Mumbai

Date : 18th April, 2014

Sd/-

Compliance Officer

**Statutory Details:** IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. 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:** Mutual Fund investments are subject to market risks, read all scheme related documents carefully.