

## PEERLESS MUTUAL FUND

### Registered and Corporate Office:

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### NOTICE CUM ADDENDUM

#### INTRODUCTION OF DIRECT PLAN

**NOTICE** is hereby given that in accordance with Para D titled “**Separate Option for direct investments**” under Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), Peerless Trust Management Company Limited, Trustee to Peerless Mutual Fund (“**Fund**”), has decided to introduce a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder (“**Distributor**”) (hereinafter referred to as “**Direct Plan**”) with effect from **January 1, 2013** (“**Effective Date**”) as under:

1. **Introduction of Direct Plan:** Direct Plan is only for investors who purchase / subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor.
2. **Scheme eligibility:** Direct Plan shall be introduced in the following schemes of the Fund:
  - (a) all open-ended schemes of the Fund as mentioned hereunder:
    - i) Peerless Liquid Fund
    - ii) Peerless Ultra Short Term Fund
    - iii) Peerless Short Term Fund
    - iv) Peerless Income Plus Fund
    - v) Peerless Equity Fund
    - vi) Peerless Flexible Income Fund
    - vii) Peerless MF Child Plan

(hereinafter collectively referred to as “**the Schemes**”).
3. **Options / Sub-options:** All Options / Sub-Options offered under the Schemes (“**Existing Plan**”) like Growth & Dividend (Payout & Re-investment) will also be available for subscription under the Direct Plan. Different dividend options based on dividend frequency like Daily, Weekly, Monthly, Quarterly under the Existing Plans of the respective Schemes will be available under Direct Plan.
4. **Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Existing Plan and the Direct Plan except that:

- (a) Switch of investments from Existing Plan (whether the investments were made before or after the Effective Date) to Direct Plan shall be subject to applicable exit load, if any. However, no exit load shall be levied in case of switches from Direct Plan to Existing Plan.
- (b) Redemptions of investments from Existing Plan / Direct Plan shall be subject to applicable exit load, if any, of that particular Scheme.
- (c) Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

**5. Applicable NAV and allotment of units:**

- (a) **Liquid Scheme(s):** Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds) on January 1, 2013 under Direct Plan(s) at the Net Asset Value (NAV) of December 31, 2012 of corresponding option(s) under Existing Plan(s). Thereafter, separate NAVs will be calculated and published for Direct Plan w.e.f. January 1, 2013.
- (b) **Non-Liquid Scheme(s):** Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds, where applicable) on January 1, 2013 under Direct Plan(s) at the Net Asset Value (NAV) of January 1, 2013 of corresponding option(s) under Existing Plan(s). Thereafter, separate NAVs will be calculated and published for option(s) under Direct Plan(s) w.e.f. January 2, 2013.

The above points are illustrated below:

<b>Subscriptions in Direct Plan on January 1, 2013 within cut off time*</b>	<b>Applicable NAV</b>
Liquid Schemes	NAV of the corresponding Existing Plan / Option / Sub-option as on December 31, 2012
Non-Liquid Scheme(s)	NAV of the corresponding Existing Plan / Option / Sub-option as on January 1, 2013

\* Subject to applicable provisions on realization of funds.

- (c) Where application is received without any Distributor Code in the Existing Plan **before cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.
- (d) Where application is received without any Distributor Code in the Existing Plan **after cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.

- (e) The starting NAV for the various Options under Direct Plan for the respective Schemes will be the same NAV as applicable for the respective Options under the Existing Plans on the day of first purchase in Direct Plan.
6. **Eligible investors / modes for applying:** All categories of investors (whether existing or new Unit holders) as permitted under the Scheme Information Document of the Schemes are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors}.
7. **How to apply:** Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form e.g. "**Peerless Income Plus Fund – Direct Plan**". Investors should also indicate "Direct" in the ARN column of the application form. However, in case Distributor code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Existing Plan without Distributor code or "Direct" mentioned in the ARN Column, the application will be processed under Direct Plan.
8. **Existing Investments:**
- (a) Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lump sum / systematic investments made without Distributor code) to Direct Plan under the same Scheme will have to switch their investments (subject to applicable Exit Load, if any).
- (b) Investors wishing to transfer their accumulated unit balance held under Existing Plan of one scheme (through lump sum / systematic investments made with or without Distributor code) to Direct Plan of another scheme will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply afresh under Direct Plan.
- (c) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.
9. **Investments through systematic routes:**
- (a) In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP)/ Dividend Transfer Plans, etc registered prior to the Effective Date **without any distributor code** under the Existing Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan.

- (b) Investors who had registered for Systematic Investment Plan facility prior to the Effective Date **with distributor code** and wish to invest their **future installments** into the Direct Plan, shall make a written request to the Fund in this behalf. The Fund will take at least 15 days to process such requests. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment shall continue to apply.

- (c) In case of the following facilities which were registered under the Existing Plan prior to the Effective Date the future installments shall continue under the Existing Plan:

- (i) All trigger facilities (registered with or without Distributor Code) and
- (ii) Systematic Transfer Facilities (registered with Distributor Code)
- (iii) Dividend Transfer Plans (registered from a folio where investments were made both **with and without** Distributor code)

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and **register afresh** for such facilities.

**10. Redemption requests:** Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

**11. Tax consequences:** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

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

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

**For Peerless Funds Management Co. Ltd.  
(Investment Manager to Peerless Mutual Fund)  
Sd/-**

**Place: Kolkata  
Date: December 28, 2012**

**Akshay Gupta  
Managing Director & CEO**

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**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

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