

ADDENDUM

This addendum sets out changes to be made in the Scheme Information Documents (SID) of all the Schemes of Tata Mutual Fund

Exposure Limits for Derivatives: Effective Date: October 01, 2010

Pursuant to SEBI Circular No. Cir / IMD / DF / 11 / 2010 dated August 18, 2010; exposure to derivatives, as mentioned in the Scheme Information Documents of the respective schemes, shall be subject to following limits:

1. The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
4. Cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure.
5. Exposure due to hedging positions shall not be included in the above mentioned limits subject to the following:
 - Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
6. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
7. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Definition of Exposure in case of Derivative Positions

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Futures	Futures Price * Lot Size * Number of Contracts
Short Futures	Futures Price * Lot Size * Number of Contracts
Options Bought	Option Premium Paid * Lot Size * Number of Contracts

Notes:-

- The above revision will be implemented prospectively and shall remain in force till further notice.
- All other terms and conditions of the SIDs read with other addendums if any remain unchanged.
- All other terms and conditions of the Scheme(s)/Plan(s) remain unchanged. This addendum forms an integral part of the SID(s)/Key Information Memorandum(s) of Scheme(s) of Tata Mutual Fund as amended from time to time.

Statutory Details:

Constitution: Tata Mutual Fund (TMF) has been set up as a Trust under the India Trusts Act 1882. Sponsors: Tata Sons Limited and Tata Investment Corporation Limited. Trustee: Tata Trustee Company Ltd. Investment Manager: Tata Asset Management Ltd. **Risk Factors: All investments in Mutual Fund and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the capital market. Mutual Funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the scheme will achieve its objective.** Past performance of the previous schemes, the sponsor or its group affiliates is not indicative of and does not guarantee the future performance of the schemes. **The names of the scheme do not in any manner indicate either the quality of the schemes or their future prospects or the returns.** The sponsors are not responsible or liable for any loss resulting from the operations resulting from the scheme beyond the initial contribution of Rs. 1 lac made by them towards setting up the Mutual Fund. Investment by the schemes in debt instruments are subject to interest rate risk, credit risk and investment risk. **For schemes specific risk factors and other details please read the SID / SAI / KIM of the schemes carefully before investing.**