



NOTICE CUM ADDENDUM

This notice cum addendum sets out changes to be made in the Scheme Information Document (SID)/Key Information Memorandum (KIM) regarding replacing the additional investment restriction mentioned in Section II Part I of the SID & Scheme details section of KIM of Tata Ethical Fund.

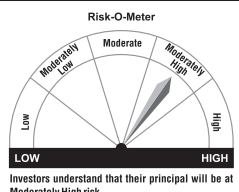
Effective Date: 01 September, 2017.

Existing Provisions	Revised Provision
<p>In addition to the investment restrictions stipulated in schedule VII of SEBI (Mutual Funds) Regulations, 1996, the scheme will adhere to the restrictions stipulated in Shariah Principles. As per the Shariah Advisor, the investment by the scheme shall be subject to following restrictions</p> <p>A) Investment Restrictions (based on security types)</p> <ol style="list-style-type: none"> 1) The scheme shall not invest in the instruments which are in form and substance not compliant with the Shariah principles, such instruments include the following: <ol style="list-style-type: none"> i) Preferred Stock (preference shares or securities with such features); ii) Options; iii) Conventional Money Market Instruments; iv) Futures; and v) Other derivative instruments. 2) The fund shall not leverage its assets for borrowing; 3) The fund shall not indulge in short selling; <p>B) Investment Restrictions (based on activities and financial ratios)</p> <ol style="list-style-type: none"> 1) In addition to the above restrictions for permitted type of securities, the scheme will invest only in securities of companies that comply with the Shariah requirements. 2) The Fund Manager is precluded from investment in companies involved in activities (which are considered non permissible under Shariah. Such activities include the following (each a "Prohibited Activity" and together the "Prohibited Activities"): <ol style="list-style-type: none"> i) Conventional Financial Institutions based on Riba (Interest) or Gharar (Uncertainty) ii) Alcoholic Beverages iii) Gaming / Gambling / Casino / Games of Chance iv) Pork v) Non-halal Food Products vi) Entertainment and Leisure Related to Pornography or Adult Content vii) Hospitality / Hotels viii) Weapon or ammunition sector ix) Other activities as may be prohibited under Shariah Principles and notified by the Shariah Advisor from time to time. 3) In addition to the above Prohibited Activities a company must to meet the following financial criteria (the "Permitted Financial Ratios"): <ol style="list-style-type: none"> 1) The total interest bearing debts (i.e. non Shariah compliant borrowing including but not limited to short term debts, long term debts, bank overdrafts and preferred capital if any) of the company must not exceed 30% of its trailing 12 month average market capitalization and/or total assets as applicable; 2) The interest bearing or non Shariah compliant lending / investments (including but not limited to interest paying fixed deposits, bonds, investments in Prohibited Activities or companies indulging in Prohibited Activities) by the company should not exceed 30% of its trailing 12 month average market capitalization and/or total assets as applicable; 3) The cash (liquid assets), trade receivables, investments and other debtors put together must not exceed 70% its trailing 12 month average market capitalization if it is a listed company. If the company is unlisted this ratio will not apply; 4) The income from interest and other Prohibited Activities (including non-Sharia compliant activities including the dividends income from non-Sharia compliant investments and subsidiary companies) must not be higher than 5% of the total income. <p>Above Shariah Investment Restrictions are subject to evaluation on an ongoing basis and may be revised based on the advice received from Shariah Advisor.</p> <p>Shariah Advisor shall provide the Shariah Complaint Universe from time to time comprising of securities in which the scheme may invest.</p> <p>In case of change of Sharia compliance status of any company post investment by the scheme, the fund manager will exit from the scrip within 120 days or the time limit as suggested by Shariah Advisor.</p> <p>Purification of any prohibited income: Periodically based on the calculation provided by the Shariah Advisor the scheme shall notify (on the website of Tata Mutual Fund), the prohibited income applicable on each unit.</p>	<p>In addition to the investment restrictions stipulated in schedule VII of SEBI (Mutual Funds) Regulations, 1996, the scheme will adhere to the investment restrictions stipulated / advocated under Shariah principles. Shariah principles have been evolved over a period of time and are being reviewed periodically by the Shariah boards.</p> <p>Investment Manager will appoint Shariah Advisor who shall provide the list of securities which are in compliance with Shariah principles (Shariah Compliant Universe). The scheme will invest only in securities which are part of Shariah Complaint Universe. In case of change of Shariah Compliance status of any company post investment by the scheme, the fund manager will exit from the scrip within the time limit permitted by the Shariah advisor.</p> <p>Purification of any prohibited income: Periodically based on the calculation provided by the Shariah Advisor the scheme shall notify (on the website of Tata Mutual Fund), the prohibited income applicable on each unit.</p>

This Product is suitable for investors who are seeking*:

- Long Term Capital Appreciation.
- Investment predominantly in equity & equity related instruments of Shariah principles compliant companies and in other instruments allowed under Shariah principles.

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Notes :-

- The above revision will be implemented prospectively & shall remain in force till further notice.
- This notice cum addendum will form an integral part of the SID/KIM.
- All other terms & conditions of the SID/KIM read with other addendums if any remain unchanged.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.