Aditya Birla Sun Life AMC Limited

(formerly known as Birla Sun Life Asset Management Company Ltd.)
(Investment Manager for Aditya Birla Sun Life Mutual Fund)
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Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai - 400 013.
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ADITYA BIRLA CAPITAL
PROTECTING INVESTING FINANCING ADVISING

Addendum No. 11/2018

Notice-cum-Addendum to the Scheme Information Document(s) and Key Information Memorandum(s) of Schemes of Aditya Birla Sun Life Mutual Fund

NOTICE IS HEREBY GIVEN THAT, in accordance with SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 & SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 04, 2017 on **Categorization and Rationalization of Mutual Fund Schemes** and in terms of the enabling provisions of the Scheme Information Documents, Aditya Birla Sun Life Trustee Private Limited (Trustee to Aditya Birla Sun Life Mutual Fund), has approved to modify certain features of the Schemes as provided below with effect from **Monday, June 04, 2018 (Effective Date):**

A. Change in Name of the Scheme

Existing Scheme Name	Revised Scheme Name
Aditya Birla Sun Life Cash Plus	Aditya Birla Sun Life Liquid Fund

The revised name of the Scheme will be effective from **Monday, June 04, 2018.**

Accordingly, all references to the existing name of the Scheme wherever appearing in the Scheme Information Document and Key Information Memorandum shall be replaced with the revised name mentioned above.

B. Change in Fundamental Attributes including other changes

From the Effective Date **(i.e. June 04, 2018)**, it is proposed to change the Fundamental Attributes including other changes to the Scheme(s), details of which are mentioned below. The Unit holders are requested to note the following changes to the provisions of the Scheme(s) of the Fund.

I. Aditya Birla Sun Life Frontline Equity Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td>An Open ended Growth Scheme</td><td>An Open ended equity scheme predominantly investing in large cap stocks.</td></tr>
<tr><td>2.</td><td>Investment Objective</td><td>The objective of the scheme is long term growth of capital, through a portfolio with a target allocation of 100% equity by aiming at being as diversified across various industries and/ or sectors as its chosen benchmark index, S&P BSE 200. The secondary objective is income generation and distribution of dividend.</td><td>The objective of the scheme is long term growth of capital, through a portfolio with a target allocation of 100% equity by aiming at being as diversified across various industries and/ or sectors as its chosen benchmark index, Nifty 50. The secondary objective is income generation and distribution of dividend.</td></tr>
<tr><td>3.</td><td>Asset Allocation</td><td>The following table provides an indicative asset allocation of the scheme's portfolio:
(% age of investible corpus)
<table>
<tr><th>Instrument</th><th>Target Allocation</th><th>Range</th><th>Risk Profile</th></tr>
<tr><td>Equities & Equity related Instruments</td><td>100%</td><td>75%-100%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities and Money market instruments (Including Securitised Debt)</td><td>0%</td><td>0%-25%</td><td>Low to Medium</td></tr>
</table>
The Fund Manager will review the portfolio for adherence with the above asset allocation patterns and re-balance within 30 days to confirm to the above limits.

Investments may be made in listed or unlisted instruments. Listed securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the OTCEI. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc. The Mutual Fund under this Scheme may invest in non-publicly offered debt securities (including convertible securities). The investments may have tenors that could be short-term (i.e. less than one year) or long-term (i.e. greater than one year). The Scheme reserves the right to invest in newer investment products including foreign securities (i.e. offshore investments) subject to approval of the Trustee Company and in compliance with the applicable SEBI Regulations. From time to time it is possible that the portfolio may hold cash.

The portion of the Scheme's portfolio invested in each type of security will vary in accordance with economic conditions, the general level of stock prices, interest rates and other relevant considerations, including the risks associated with each investment. The Scheme will, in order to reduce the risks associated with any one security, utilize a variety of investments and performance will depend on the Asset Management Company's ability to assess accurately and react to changing market conditions.

Not more than 5% of the net assets of the Scheme may be invested in equity and equity-related securities that are not listed on any stock exchange (including the OTCEI). Any such investments will only be made if the Asset Management Company believes that such securities may be listed within a two-year period. This policy, however, is not applicable to the Scheme's acquisition of equity and equity-related securities in initial public offerings that at the time of acquisition are not yet either listed or quoted on any stock exchange, but pursuant to the terms of such initial public offering will be so listed. The Mutual Fund under this Scheme, will not invest more than 10% of its net assets in the debt (including non- publicly offered debt securities) and money market securities of any one issuer excluding call money.

Upto 5% of the Scheme's net assets may be invested in unlisted equity and equity-related securities as stated in the previous paragraph. Further, since a significant section of the debt market consists of non-publicly offered debt securities, the Scheme could invest upto 20% of its net assets (i.e. its entire allocation to debt and money market securities) in non-publicly offered debt securities. In the event investments made in unlisted equity and equity-related securities and non-publicly offered debt securities affect the ability of the Scheme to make redemption payments within the stipulated time frame set forth herein then redemption payments. The Scheme also intends to participate in derivatives trading within the equity component of their portfolios. The scheme intends to use derivatives instruments like options on stocks and stock indices, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging, portfolio balancing and other permitted usages as provided under the regulations and guidelines. The value of derivative contracts outstanding will be limited to 50% of net assets of the scheme. RBI has permitted Mutual Funds to participate in Interest Rate Swaps and Forward Rate Agreements. SEBI has also permitted trading of interest rate derivatives through stock exchanges. The scheme may also trade in these instruments

The Scheme intends to invest in ADR/GDR of Indian companies subject to a limit based on the net assets of the Mutual Fund in accordance with SEBI Guidelines issued from time to time.</td>
<td>The following table provides an indicative asset allocation of the scheme's portfolio:
(% age of investible corpus)
<table>
<tr><th>Instrument</th><th>Target Allocation (% of total Assets)</th><th>Risk Profile</th></tr>
<tr><td>Equity and Equity related Instruments of Large Cap Companies</td><td>80%-100%</td><td>Medium to High</td></tr>
<tr><td>Equity and equity related instruments of Companies other than Large Cap</td><td>0%-20%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities and Money market instruments (Including Securitised Debt)</td><td>0%-20%</td><td>Low to Medium</td></tr>
</table>
Large cap companies will be 1st -100th company in terms of full market capitalization

The Fund Manager will review the portfolio for adherence with the above asset allocation patterns and rebalance within 30 days to conform to the above limits.

Investments may be made in listed or unlisted instruments. Listed securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the OTCEI. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc. The Mutual Fund under this Scheme may invest in non-publicly offered debt securities (including convertible securities). The investments may have tenors that could be short-term (i.e. less than one year) or long-term (i.e. greater than one year). The Scheme reserves the right to invest in newer investment products including foreign securities (i.e. offshore investments) subject to approval of the Trustee Company and in compliance with the applicable SEBI Regulations. From time to time it is possible that the portfolio may hold cash.

The portion of the Scheme's portfolio invested in each type of security will vary in accordance with economic conditions, the general level of stock prices, interest rates and other relevant considerations, including the risks associated with each investment. The Scheme will, in order to reduce the risks associated with any one security, utilize a variety of investments and performance will depend on the Asset Management Company's ability to assess accurately and react to changing market conditions.

Not more than 5% of the net assets of the Scheme may be invested in equity and equity-related securities that are not listed on any stock exchange (including the OTCEI). Any such investments will only be made if the Asset Management Company believes that such securities may be listed within a two-year period. This policy, however, is not applicable to the Scheme's acquisition of equity and equity-related securities in initial public offerings that at the time of acquisition are not yet either listed or quoted on any stock exchange, but pursuant to the terms of such initial public offering will be so listed. The Mutual Fund under this Scheme, will not invest more than 10% of its net assets in the debt (including non- publicly offered debt securities) and money market securities of any one issuer excluding call money.

Upto 5% of the Scheme's net assets may be invested in unlisted equity and equity-related securities as stated in the previous paragraph. Further, since a significant section of the debt market consists of non-publicly offered debt securities, the Scheme could invest upto 20% of its net assets (i.e. its entire allocation to debt and money market securities) in non-publicly offered debt securities. In the event investments made in unlisted equity and equity-related securities and non-publicly offered debt securities affect the ability of the Scheme to make redemption payments within the stipulated time frame set forth herein then redemption payments. The Scheme also intends to participate in derivatives trading within the equity component of their portfolios. The scheme intends to use derivatives instruments like options on stocks and stock indices, interest rate swaps, forward rate agreements or such other derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging, portfolio balancing and other permitted usages as provided under the regulations and guidelines. The value of derivative contracts outstanding will be limited to 50% of net assets of the scheme. RBI has permitted Mutual Funds to participate in Interest Rate Swaps and Forward Rate Agreements. SEBI has also permitted trading of interest rate derivatives through stock exchanges. The scheme may also trade in these instruments

Under normal circumstances each scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>4.</td><td>Investment Strategy</td><td>The Scheme will aim at being as diversified across various industries and/ or sectors as its chosen benchmark index. It will target the same sectoral weights within its equity portfolio as the benchmark index on a designated day subject to some predetermined flexibility. However, the Scheme shall have the flexibility of selecting stocks within a particular sector from a wider investment universe. So while the equity component of the Scheme's portfolio will track sectoral weights of the chosen benchmark index, the stocks making up those sectoral weights in the Scheme's portfolio could be different from those comprising the relevant sectoral weights in the index. However, such stocks will be from the same sectors although they may differ from the index constituents on account of the Scheme's investment universe being wider than index stocks.

The sectoral weights will be computed by aggregating market values of individual stocks sector wise, as a percentage of the total market value of the equity component in the Scheme's portfolio. The Scheme will have the flexibility of varying the sectoral weights by ± 25% of the sectoral weights in the index on the designated day, or by an absolute figure of ± 3%, whichever is higher. For example, if the sector weight in the index on the designated day is 15%, the ± 25% rule will apply and the Scheme will maintain a weight between 11.25% and 18.75%. For a sector comprising 10% of the index, the Scheme could have an exposure of between 7% - 13% to that sector in the equity component in its portfolio since in this situation; the ± 3% rule will become applicable. This implies that sectors with less than 3% weights in the index on the designated day may be ignored. The Scheme's equity portfolio will attain the sectoral diversification of the index on the designated day computed in the above manner, by the month-end after the designated day. The Scheme may invest up to 25% of its net assets in cash, government securities, debt and money market instruments. This limit may not be exceeded for a continuous period of 30 days without the approval of / ratification by the Trustee.

The Scheme has currently chosen S&P BSE 200 as its benchmark index. The designated day shall be the 23rd of every month. If 23rd is a non-Business Day, the immediately preceding Business Day shall be the designated day for that month. The equity portfolio of the Scheme will match the sectoral diversification of the benchmark index on the designated day, by the last calendar day of each month or if it is a non-Business Day, by the first Business Day of the next month. The Scheme will typically attain the sectoral weights of the benchmark index by the last Business Day of each month. The Scheme's investment universe shall comprise all listed and / or unlisted stocks. The Scheme will endeavour to invest in 'frontline' stocks i.e. stocks which in the opinion of its Fund Manager, provide superior growth opportunities. The stocks will be categorised into the sectors making up the benchmark index by the Trustee. Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.</td>
<td>The Scheme will aim at being as diversified across various industries and/ or sectors as its chosen benchmark index. It will target the same sectoral weights within its equity portfolio as the benchmark index on a designated day subject to some predetermined flexibility. However, the Scheme shall have the flexibility of selecting stocks within a particular sector from a wider investment universe. So while the equity component of the Scheme's portfolio will track sectoral weights of the chosen benchmark index, the stocks making up those sectoral weights in the Scheme's portfolio could be different from those comprising the relevant sectoral weights in the index. However, such stocks will be from the same sectors although they may differ from the index constituents on account of the Scheme's investment universe being wider than index stocks.

The sectoral weights will be computed by aggregating market values of individual stocks sector wise, as a percentage of the total market value of the equity component in the Scheme's portfolio. The Scheme will have the flexibility of varying the sectoral weights by ± 30% of the sectoral weights in the index on the designated day, or by an absolute figure of ± 5%, whichever is higher. For example, if the sector weight in the index on the designated day is 15%, the ± 30% rule will apply and the Scheme will maintain a weight between 10.5% and 19.5%. For a sector comprising 10% of the index, the Scheme could have an exposure of between 5% - 15% to that sector in the equity component in its portfolio since in this situation; the ± 5% rule will become applicable. This implies that sectors with less than 5% weights in the index on the designated day may be ignored. The Scheme may invest up to 20% of its net assets in cash, government securities, debt and money market instruments. This limit may not be exceeded for a continuous period of 30 days without the approval of / ratification by the Trustee.

The Scheme has currently chosen Nifty 50 as its benchmark index. The equity portfolio of the Scheme will match the sectoral diversification of the benchmark index as computed in the above manner by the last calendar day of each quarter or if it is a non-Business Day, by the first Business Day of the Next quarter.

The Scheme's investment universe shall comprise all listed and / or unlisted stocks. The Scheme will endeavour to invest in 'frontline' stocks i.e. stocks which in the opinion of its Fund Manager, provide superior growth opportunities.

Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.</td></tr>
<tr><td>5.</td><td>Benchmark</td><td>S&P BSE 200</td><td>Nifty 50</td></tr>
</table>

II. Aditya Birla Sun Life Advantage Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Scheme Name</td><td>Aditya Birla Sun Life Advantage Fund</td><td>Aditya Birla Sun Life Equity Advantage Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Growth Scheme</td><td>An open ended equity scheme investing in both large cap and mid cap stocks</td></tr>
<tr><td>3.</td><td>Investment Objective</td><td>The objective of the scheme is to achieve long-term growth of capital, at relatively moderate levels of risk through a diversified research based investment approach.</td><td>The objective of the scheme is to achieve long-term growth of capital, at relatively moderate levels of risk through a diversified research based investment in Large & Midcap companies.</td></tr>
<tr><td>4.</td><td>Asset Allocation and Investment Pattern</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of investible corpus)
<table>
<tr><th>Instrument</th><th>Asset</th><th>Risk</th></tr>
<tr><td>Equities & Equity related Instruments</td><td>At least 70%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities & Money Market instruments</td><td>Upto 30%</td><td>Low to Medium</td></tr>
</table>
The Scheme is a growth scheme and aims primarily at capital appreciation. Given the expectation of substantial growth of the Indian economy (and hence, for Indian capital markets as well), normally at least 70% of the funds will be invested in equities or related instruments. The balance would be invested in debt and money market instruments, encompassing both short-term and long-term considerations. In a situation of extreme volatility in equity markets, the equity allocation may be reduced below 70%, in favour of debt instruments, money market instruments or cash. Short-term debt considerations for this open-end scheme include maintaining an adequate float to meet anticipated levels of redemptions, expenses, and other liquidity needs. A portion of funds may also be kept in cash or cash equivalents. Investments will be in listed securities from all Indian Stock Exchanges including the National Stock Exchange and the OTC Exchange of India. Investments may also be made in unlisted transferable securities. The securities would cover secondary market purchases, Initial Public Offers (IPOs), other public offers, placements, right offers, negotiated deals, etc. Investment policies of the Scheme shall reflect restrictions for mutual fund investments established by SEBI. In addition, certain investment parameters (such as limits on portfolio exposure to sectors, industries, business houses, etc.) may be adopted internally by ABSLAMC, and amended from time to time, to ensure appropriate diversification of the Scheme.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.

Under normal circumstances each scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td>
<td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of investible corpus)
<table>
<tr><th>Instrument</th><th>Asset</th><th>Risk</th></tr>
<tr><td>Equity & Equity Related Instruments of Large Cap companies</td><td>At least 35%</td><td>Medium to High</td></tr>
<tr><td>Equity & Equity Related Instruments of Mid Cap companies</td><td>At least 35%</td><td>Medium to High</td></tr>
<tr><td>Equity and equity related instruments of Companies other than Large Cap and Midcap</td><td>Upto 30%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities & Money Market instruments</td><td>Upto 30%</td><td>Low to Medium</td></tr>
</table>
Large cap and Mid cap companies will be determined as under:

a) Large Cap: 1st -100th company in terms of full market capitalization

b) Mid Cap: 101st -250th company in terms of full market capitalization

The Scheme is a growth scheme and aims primarily at capital appreciation. Given the expectation of substantial growth of the Indian economy (and hence, for Indian capital markets as well), normally at least 70% of the funds will be invested in equities or related instruments. The balance would be invested in debt and money market instruments, encompassing both short-term and long-term considerations. In a situation of extreme volatility in equity markets, the equity allocation may be reduced below 70%, in favour of debt instruments, money market instruments or cash. Short-term debt considerations for this open-end scheme include maintaining an adequate float to meet anticipated levels of redemptions, expenses, and other liquidity needs. A portion of funds may also be kept in cash or cash equivalents. Investments will be in listed securities from all Indian Stock Exchanges including the National Stock Exchange and the OTC Exchange of India. Investments may also be made in unlisted transferable securities. The securities would cover secondary market purchases, Initial Public Offers (IPOs), other public offers, placements, right offers, negotiated deals, etc. Investment policies of the Scheme shall reflect restrictions for mutual fund investments established by SEBI. In addition, certain investment parameters (such as limits on portfolio exposure to sectors, industries, business houses, etc.) may be adopted internally by ABSLAMC, and amended from time to time, to ensure appropriate diversification of the Scheme.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations. Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.

Under normal circumstances each scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>5.</td><td>Portfolio Turnover</td><td>Portfolio turnover will depend upon the circumstances prevalent at any time. Under normal circumstances the portfolio turnover is not likely to exceed 200%. This will exclude the turnover caused on account of:
• Investing the initial subscription,
• Subscriptions and redemptions undertaken by the unit holders.

Purchase and sale of securities attract transaction costs of the nature of brokerage, stamp duty, custodian transaction charges, etc. The above limit of portfolio turnover is essential to regularly explore trading opportunities to optimize returns for the schemes and enable portfolio restructuring when required.</td><td>The scheme has no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market and inflows/outflows in the scheme. The Fund Manager will however endeavour to maintain a low portfolio turnover rate.</td></tr>
</table>

III. Aditya Birla Sun Life Cash Manager:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Cash Manager</td><td>Aditya Birla Sun Life Low Duration Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended low duration debt scheme investing in instruments such that Macaulay duration of the portfolio is between 6 months and 12 months.</td></tr>
<tr><td>3.</td><td>Investment Objective</td><td>The objective of the scheme is to provide income which is consistent with a portfolio through investments in a basket of debt and money market instruments of very short maturities with a view to provide reasonable returns.</td><td>The objective of the scheme is to provide income which is consistent with a portfolio through investments in a basket of debt and money market instruments of short maturities with a view to provide reasonable returns.</td></tr>
<tr><td>4.</td><td>Asset Allocation</td><td>
Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments#</td><td>0% to 80%</td><td>Low to Medium</td></tr>
<tr><td>Money Market Instruments including CBLO & repo</td><td>20% to 100%</td><td>Low to Medium</td></tr>
</table>
#The scheme will invest primarily in instruments having maturity of one year and less than one year. The scheme may invest into securitized debt upto 75% of its net assets.
In cases where there is a drastic reduction in the corpus of the scheme due to large redemptions, the fund manager would be required to rebalance the portfolio in order to conform to the above limits within a period of 30 days.
The Scheme retains the flexibility to invest across all of the various securities and other instruments in the debt and money markets. From time to time it is possible that the portfolio may hold cash.
Under normal circumstances the schemes shall not have an exposure of more than 25% of its net assets in foreign debt securities subject to the overall cap as specified by SEBI.
The scheme may also invest upto 100% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
The investment policies of the Scheme comply with the rules, regulations and guidelines laid out in the SEBI (MF) Regulations 1996, specifically the Seventh Schedule.
All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions.
The Scheme will endeavour to maintain a AAAmfs or equivalent rating from any SEBI registered Rating Agencies, which presently is CRISIL. The Scheme shall endeavor to maintain the credit score applicable for maintaining the rating at all times. In an event where any security held by the Scheme is downgraded, the credit factor applicable on the security would be based on the revised rating. In case the credit factor revision results in the credit score of the fund exceeding the limit applicable for the fund's rating, the fund shall be given a curing period as per the agreement with the rating agencies, from the date of the credit score increasing the applicable limits to bring it back within the limits applicable to its rating. The Scheme will not engage in bill discounting activity, however may invest in rediscounting of bills with RBI approved counterparties. The investments will be carried out on a delivery versus payment basis in accordance with the regulatory provisions.
Such Scheme rating is not intended to be an opinion on the Asset Management Company's willingness or ability to make timely payment to the investor. The rating is also not an opinion on the stability of the NAV of the scheme, which could vary with market developments.
Under normal market conditions, the Scheme will be managed so as to maintain a Rupee weighted average maturity not exceeding 1.5 years. No individual investment will have maturity greater than three years. The portfolio is expected to generate its return by prudently investing in sectors and issues in the debt and money markets, which provide consistently superior yields at low levels of risk.
Due consideration will be given to the liquidity of the Scheme's investments keeping in mind that the Scheme is open-ended and aimed at providing a high degree of liquidity. Liquidity generally will be provided through:

Investment allocation by primarily choosing to invest a substantial portion of the Scheme's assets in the most liquid part of the fixed income market, i.e. call money, Treasury Bills, Government of India and State Government securities, in which there are relatively significant traded volumes.
Laddering maturities and coupons and
Investing in specially structured securities, especially where the security has been structured to offer the buyer the option to liquidate prior to the final maturity.
Liquidity may also be provided through borrowing to meet redemptions in accordance with the SEBI (MF) Regulations, 1996.

Investments may be made in listed or unlisted instruments. Listed securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the Over the Counter Exchange of India. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc.
The Scheme may enter into repurchase / reverse repurchase obligations (as and when applicable regulations permit) in order to manage liquidity as also for investment purposes. The amount of repurchase obligations shall be in compliance with the applicable SEBI Regulations.
The Scheme may enter into securities lending as allowed under the SEBI (MF) Regulations. Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.
</td><td>
Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments#</td><td>0% to 80%</td><td>Low to Medium</td></tr>
<tr><td>Money Market Instruments including CBLO & repo</td><td>20% to 100%</td><td>Low to Medium</td></tr>
</table>
Macaulay duration of the portfolio will be between 6 months-12 months
#The scheme may invest into securitized debt upto 50% of its net assets.
In cases where there is a drastic reduction in the corpus of the scheme due to large redemptions, the fund manager would be required to rebalance the portfolio in order to conform to the above limits within a period of 30 days.
The Scheme retains the flexibility to invest across all of the various securities and other instruments in the debt and money markets. From time to time it is possible that the portfolio may hold cash.
Under normal circumstances the schemes shall not have an exposure of more than 25% of its net assets in foreign debt securities subject to the overall cap as specified by SEBI.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
The investment policies of the Scheme comply with the rules, regulations and guidelines laid out in the SEBI (MF) Regulations 1996, specifically the Seventh Schedule.
All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions.
The portfolio is expected to generate its return by prudently investing in sectors and issues in the debt and money markets, which provide consistently superior yields at low levels of risk.
Due consideration will be given to the liquidity of the Scheme's investments keeping in mind that the Scheme is open-ended and aimed at providing a high degree of liquidity. Liquidity generally will be provided through:

Investment allocation by primarily choosing to invest a substantial portion of the Scheme's assets in the most liquid part of the fixed income market, i.e. call money, Treasury Bills, Government of India and State Government securities, in which there are relatively significant traded volumes.
Laddering maturities and coupons and
Investing in specially structured securities, especially where the security has been structured to offer the buyer the option to liquidate prior to the final maturity.
Liquidity may also be provided through borrowing to meet redemptions in accordance with the SEBI (MF) Regulations, 1996.

Investments may be made in listed or unlisted instruments. Listed securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the Over the Counter Exchange of India. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc.
The Scheme may enter into repurchase / reverse repurchase obligations (as and when applicable regulations permit) in order to manage liquidity as also for investment purposes. The amount of repurchase obligations shall be in compliance with the applicable SEBI Regulations.
The Scheme may enter into securities lending as allowed under the SEBI (MF) Regulations. Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.
</td></tr>
<tr><td>5.</td><td>Investment Strategy</td><td>The aim of the investment strategy is to provide stable returns by minimizing the interest rate risk in the short as well as long term. The Scheme aims to identify securities, which offer superior levels of yield at lower levels of risks. Liquidity will also be an important criterion and a reasonable proportion of the investment will be made in relatively liquid investments. In addition, the Fund Management team will study the macro economic conditions affecting liquidity and interest rates. The Fund Manager would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.</td><td>
The aim of the investment strategy is to provide stable returns by minimizing the interest rate risk in the short as well as long term. The Scheme aims to identify securities, which offer superior levels of yield at lower levels of risks. Liquidity will also be an important criterion and a reasonable proportion of the investment will be made in relatively liquid investments. In addition, the Fund Management team will study the macro economic conditions affecting liquidity and interest rates. The Fund Manager would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.
The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay
</td></tr>
<tr><td></td><td></td><td></td><td>
duration is frequently used by portfolio managers who use an immunization strategy.
Macaulay duration can be calculated:
$$\textbf{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t*C}{(1+y)^t} + \frac{n*M}{(1+y)^n}}{\textbf{Current Bond Price}}$$
Where:

t = respective time period
C = periodic coupon payment
y = periodic yield
n = total number of periods
M = maturity value
Current Bond Price = Present value of cash flows

The Macaulay duration can be viewed as the economic balance point of a group of cash flows. Another way to interpret the statistic is that it is the weighted average number of years an investor must maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond.
Factors Affecting Duration
A bond's price, maturity, coupon and yield to maturity all factor into the calculation of duration. All else equal, as maturity increases, duration increases. As a bond's coupon increases, its duration decreases. As interest rates increase, duration decreases and the bond's sensitivity to further interest rate increases goes down. Also, sinking fund in place, a scheduled prepayment before maturity and call provisions lower a bond's duration.
</td></tr>
</table>

IV. Aditya Birla Sun Life Floating Rate Fund - Short Term Plan:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Floating Rate Fund - Short Term Plan</td><td>Aditya Birla Sun Life Money Manager Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended debt scheme investing in money market instruments.</td></tr>
<tr><td>3.</td><td>Investment Objective</td><td>The primary objective of the scheme is to generate regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments. The scheme may invest a portion of its net assets in fixed rate debt securities and money market instruments.</td><td>The primary objective of the scheme is to generate regular income through investment in a portfolio comprising of money market instruments.</td></tr>
<tr><td>4.</td><td>Asset Allocation</td><td>
Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Floating Rate Debt Securities (including securitized debt, money market instruments and Fixed rate debt instruments swapped for floating rate returns)</td><td>65-100%</td><td>Low to Medium</td></tr>
<tr><td>Fixed Rate Debt Securities (including securitized debt, money market instruments and Fixed rate debt instruments swapped for Fixed rate returns)</td><td>0-35%</td><td>Low to Medium</td></tr>
</table>
Under normal circumstances at least 65% of the total portfolio will be invested in floating rate debt securities / money market instruments. This may be by way of direct investment in floating rate assets or fixed rate assets swapped for floating rate returns by using derivatives as described later in this section. It is the intention of the scheme that the investments in securitised debts will not, normally exceed 60% of the net assets of the respective plans.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.
In addition to the securities stated in the table above, the scheme may enter into repos / reverse repos with respect to the securities that it will invest in or as may be permitted by the RBI from time to time. A part of the net assets may be invested in the call money market or in an alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements. Pending deployment as per investment objective, the monies under the scheme may be invested in short-term deposits of Scheduled Commercial Banks.
In accordance with SEBI Circular No. 13/150975/09 dated January 19, 2009 Aditya Birla Sun life Floating Rate Fund - Short Term Plan shall have the following additional characteristics with regard to its portfolio:
(i) The Scheme shall make investment in/ purchase debt and money market securities with maturity of upto 91 days only.
(ii) In case of securities with put and call options (daily or otherwise) the residual maturity shall not be greater than 91 days.
(iii) Inter-scheme transfers of Debt and Money Market Instruments in the Scheme shall be carried out in respect of securities with the maturity of upto 91 days.
Explanatory Notes:

In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.

</td><td>
Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Money Market Instruments (including cash and CBLO)</td><td>Up to 100%</td><td>Low to Medium</td></tr>
</table>
No Investments will be made in any security with residual maturity of more than 365 days. It is the intention of the scheme that the investments in securitised debts will not, normally exceed 50% of the net assets of the Scheme.
The scheme may also invest upto 75% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.
</td></tr>
<tr><td>5.</td><td>Investment Strategy</td><td>
Floating rate debt issuance is a relatively new concept in India and has grown rapidly with the introduction and wide acceptance of benchmarks such as NSE MIBOR / Reuters MIBOR etc. The Government of India has also started issuing floating rate sovereign debt which is expected to give a major impetus to the pace of development of floating rate market in India. The scheme proposes to invest substantially in floating interest rate securities, fixed interest rate securities swapped for floating rate returns and fixed rate securities. The aim of the investment strategy is to generate stable returns by minimizing the interest rate risk in the short as well as long term.
The domestic debt markets are maturing rapidly with improvement in liquidity in various debt segments as a result of introduction of new instruments and investors. The development of derivatives markets particularly swaps and Forward Rate Agreements (FRA) have made the environment more dynamic and has provided opportunity to manage interest rate more actively.
The aim of the investment manager will be to allocate
</td><td>
The net assets of the scheme will be invested in money market instruments. The scheme will seek to optimize the risk return proposition for the benefit of investors.
The investment process will focus on macro-economic research, credit risk and liquidity management. The scheme will maintain a judicious mix of cash, short term and medium term instruments based on the mandates of the scheme. As part of credit risk assessment, the scheme will also apply its credit evaluation process besides taking guidance from ratings of rating agencies. In order to maintain liquidity, the scheme will maintain a reasonable proportion of the Scheme's investments in relatively liquid investments.
</td></tr>
</table>

<table>
<tr><td></td><td></td><td>the assets of the scheme between various fixed interest rate securities and floating interest rate securities and use derivatives like swaps and FRAs effectively with the objective of achieving stable returns. The portfolio of the Long Term Plan will be normally skewed towards longer term maturities.

The scheme will endeavour to minimise interest rate risk. Fixed interest rate securities are subjected to volatility in price movements corresponding to movements in interest rates. However, the interest rate in case of floating rate securities is reset in regular time intervals based on certain benchmark or a reference rate (eg. NSE Mibor, T Bill Yield, Reuters MIBOR, etc.). Hence the prices of these securities are less sensitive to interest rate fluctuation leading to minimal interest rate risk in case of floating interest rate securities.

Floating interest rate securities market in India is in a developing phase. Government of India has started issuing Government securities carrying floating rate coupon payments. This will help the floating rate market to develop rapidly. A large number of corporates borrow their short term requirements and funds through floating rate instruments. However, as the markets develop corporates would start accessing the market for their long term requirement of funds at a floating rate.

In the absence of floating rate securities, the same can be created synthetically with a combination of derivatives like Interest Rate Swaps and FRAs and fixed interest rate securities. The fixed income derivatives market has developed considerably during the last 2 years in India. The scheme intends to use derivatives as permitted by RBI/SEBI for hedging interest rate risk.

The actual percentage of investments in various floating and fixed interest rate securities and position of derivatives will be decided after considering the prevailing political conditions, economic environment (including interest rates and inflation), the performance of the corporate sector and general liquidity as well as other considerations in the economy and markets.</td><td></td></tr>
</table>

V. Aditya Birla Sun Life Short Term Opportunities Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1-3 years.</td></tr>
<tr><td>2.</td><td>Investment Objective</td><td>The objective of the scheme is to generate regular income by investing primarily in investment grade fixed income securities / money market instruments with short to medium term maturities and across the credit spectrum within the universe of investment grade rating.</td><td>The investment objective of the Scheme is to generate income and capital appreciation by investing 100% of the corpus in a diversified portfolio of debt and money market securities.</td></tr>
<tr><td>3.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Normal Allocation</th></tr>
<tr><td>Investments in Debt and Money market securities with short to medium term maturities and across the credit spectrum within the universe of investment grade rating.</td><td>0-80%</td></tr>
<tr><td>Money market instruments including cash & cash equivalents</td><td>0-20%</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td></tr>
</table>
The scheme may also invest upto 20% of its assets in securitised instruments.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.

Under normal circumstances each scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Investments in Debt and Money market securities</td><td>0%- 100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table>
Macaulay duration of the portfolio will be between 1year-3 years.

The scheme may also invest upto 50% of its assets in securitised instruments.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.

Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>4.</td><td>Investment Strategy</td><td>The fund focuses on enhancing the portfolio returns by identifying mispriced credit opportunities in the market and selectively investing in them. To enhance the portfolio returns, the Fund would invest in instruments that offer superior yield at acceptable levels of risk. To manage the credit risk, the Fund would invest predominantly in short and medium term securities. Moreover, the Fund has put in place a strong rigorous process to evaluate credit risk and monitor the same on a continuous basis. The Fund will also emphasise collaterals/covenants where it believes it is required. If and when the Mutual Funds are allowed to invest in credit derivatives, the Fund will also invest in such securities, in line with extent of the regulations.

The potential universe of the scheme for investment includes (but is not limited to) securities issued by NBFCs, ABS, Corporate Debt, Financial Institutions and Banking Sector Bonds & Treasury Bills, Govt. Of India Securities, State Government Bonds, Government Guaranteed Bonds, PSU Bonds, money market securities, Call Money, Commercial Paper, Certificate of Deposit & Discounted trade Bills.</td><td>The AMC aims to identify securities, which offer superior levels of yield at lower levels of risk. As per the asset allocation pattern, the Fund invests in various debt securities and money market instruments issued by corporates and/or state and central government. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. In addition, the Investment Team of the AMC studies the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates.

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is frequently used by portfolio managers who use an immunization strategy.

Macaulay duration can be calculated:

$$\textbf{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t*C}{(1+y)^t} + \frac{n*M}{(1+y)^n}}{\textbf{Current Bond Price}}$$
Where:
• t = respective time period
• C = periodic coupon payment
• y = periodic yield
• n = total number of periods
• M = maturity value
• Current Bond Price = Present value of cash flows

The Macaulay duration can be viewed as the economic balance point of a group of cash flows. Another way to interpret the statistic is that it is the weighted average number of years an investor must maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond.

Factors Affecting Duration
A bond's price, maturity, coupon and yield to maturity all factor into the calculation of duration. All else equal, as maturity increases, duration increases. As a bond's coupon increases, its duration decreases. As interest rates increase, duration decreases and the bond's sensitivity to further interest rate increases goes down. Also, sinking fund in place, a scheduled prepayment before maturity and call provisions lower a bond's duration.</td></tr>
<tr><td>5.</td><td>Benchmark</td><td>CRISIL AA Short Term Bond Fund Index</td><td>CRISIL Short Term Bond Fund Index</td></tr>
</table>

VI. Aditya Birla Sun Life Medium Term Plan:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3-4 years.</td></tr>
<tr><td>2.</td><td>Investment Objective</td><td>The primary investment objective of the Scheme is to generate regular income through investments in debt & money market instruments in order to make regular dividend payments to unitholders & secondary objective is growth of capital.</td><td>The investment objective of the Scheme is to generate regular income and capital appreciation by predominantly investing in a portfolio of debt securities with medium term maturity.</td></tr>
<tr><td>3.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments</td><td>0%- 100%</td><td>Low to Medium</td></tr>
<tr><td>Money Market Instruments</td><td>0-90%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table>
Money Market Instruments include commercial papers, commercial bills, treasury bills, and Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, CBLOs and any other like instruments as specified by the Reserve Bank of India from time to time.

The investments in securitised debt papers may be made upto 100% of the net assets of the scheme. The scheme may also invest upto 50% of the net assets of the scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing as may be permitted under SEBI (MF) Regulations, 1996.

The scheme does not intend to invest in Foreign Securities.</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments</td><td>0%- 100%</td><td>Low to Medium</td></tr>
<tr><td>Money Market Instruments</td><td>0-90%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table>
Macaulay duration of the portfolio will be between 3years-4 years.

However, fund manager, in the interest of investors, may reduce the portfolio duration of the scheme upto one year, in case he has a view on interest rate movements in light of anticipated adverse situation. In such scenario, the asset allocation will be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt Instruments</td><td>0%- 100%</td><td>Low to Medium</td></tr>
<tr><td>Money Market Instruments</td><td>0-90%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr>
</table>
Macaulay duration of the portfolio under anticipated adverse situation will be 1 year to 4 years.

Money Market Instruments include commercial papers, commercial bills, treasury bills, and Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bills, CBLOs and any other like instruments as specified by the Reserve Bank of India from time to time.

The investments in securitised debt papers may be made upto 50% of the net assets of the scheme. The scheme may also invest upto 50% of the net assets of the scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing as may be permitted under SEBI (MF) Regulations, 1996.

Under normal circumstances this scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>4.</td><td>Investment Strategy</td><td>The Fund intends to optimise returns by keeping its portfolio duration between 1 year to 5 years. Depending upon prevailing market conditions & interest rate scenario the duration may be brought down below 1 year. In case of a rising interest rate environment the duration of the fund may be reduced and holding in money market securities could go up to 100% whereas in a falling interest rate scenario the holding in medium / long dated securities may be maximized.

Risk Control
Investments made by the Scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in.

The Scheme may also use various derivatives products for the purpose of trading, hedging and portfolio balancing from time to time, with an attempt to protect the value of the portfolio and enhance Unitholders' interest. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. Scheme may utilize services of independent research agency for making investment in foreign securities / Funds.

Portfolio Turnover
The scheme has no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market and inflows/outflows in the scheme. The Fund Manager will however endeavour to maintain a low portfolio turnover rate.</td><td>Depending upon prevailing market conditions & interest rate scenario the duration may be modulated within the stated band. In case of a rising interest rate environment the duration of the fund may be reduced and holding in Liquid bonds & money market securities could go up whereas in a falling interest rate scenario the holding in medium / long dated securities may be maximized.

Risk Control
Investments made by the Scheme would be in accordance with the investment objectives of the scheme and provisions of SEBI Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, the investment team of the AMC will carry out rigorous in-depth analysis of the securities proposed to be invested in.

The Scheme may also use various derivatives products for the purpose of trading, hedging and portfolio balancing from time to time, with an attempt to protect the value of the portfolio and enhance Unitholders' interest. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. Scheme may utilize services of independent research agency for making investment in foreign securities / Funds.

Portfolio Turnover
The scheme has no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market and inflows/outflows in the scheme. The Fund Manager will however endeavour to maintain a low portfolio turnover rate.

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is frequently used by portfolio managers who use an immunization strategy.

Macaulay duration can be calculated:

$$\textbf{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t*C}{(1+y)^t} + \frac{n*M}{(1+y)^n}}{\textbf{Current Bond Price}}$$
Where:
• t = respective time period
• C = periodic coupon payment
• y = periodic yield
• n = total number of periods
• M = maturity value
• Current Bond Price = Present value of cash flows

The Macaulay duration can be viewed as the economic balance point of a group of cash flows. Another way to interpret the statistic is that it is the weighted average number of years an investor must maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond.

Factors Affecting Duration
A bond's price, maturity, coupon and yield to maturity all factor into the calculation of duration. All else equal, as maturity increases, duration increases. As a bond's coupon increases, its duration decreases. As interest rates increase, duration decreases and the bond's sensitivity to further interest rate increases goes down. Also, sinking fund in place, a scheduled prepayment before maturity and call provisions lower a bond's duration.</td></tr>
</table>

VII. Aditya Birla Sun Life Income Plus:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Income Plus</td><td>Aditya Birla Sun Life Income Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4-7 years.</td></tr>
<tr><td>3.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments</td><td>90% to 100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to high</td></tr>
</table></td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments</td><td>90% to 100%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to high</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>The Scheme may invest a maximum of 40% in securitised debt.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.

Under normal circumstances this scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td><td>Macaulay duration of the portfolio will be between 4years-7 years.

However, fund manager, in the interest of investors, may reduce the portfolio duration of the scheme upto one year, in case he has a view on interest rate movements in light of anticipated adverse situation. In such scenario, the asset allocation will be as under:

(% age of net assets)<table><tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr><tr><td>Debt and Money Market Instruments</td><td>90% to 100%</td><td>Low to Medium</td></tr><tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to high</td></tr></table>
Macaulay duration of the portfolio under anticipated adverse situation will be 1 year to 7 years.

The Scheme may invest a maximum of 50% in securitised debt.

The scheme may also invest upto 75% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.

Under normal circumstances this scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>4.</td><td>Investment Strategy</td><td>As the Scheme is an income scheme, the investment strategy will reflect the relatively conservative character of the portfolio. The fixed income investment strategy would emphasize investment in instruments that generate consistently superior yields at low levels of risk. Rigorous indepth credit evaluation and analysis aimed at ascertaining both the short term financial health and long term solvency of the debt issuers will be carried out by BSLAMC's research team. In addition, criteria such as sound corporate managements, prospects of good future growth and strong past performance will be considered. Essentially, the focus would be on long term fundamentally driven values. However, short term opportunities would also be seized, provided they are supported by underlying values.

Portfolio Turnover

Portfolio turnover will depend upon the circumstances prevalent at any time. Under normal circumstances the portfolio turnover is not likely to exceed 200%. This will exclude the turnover caused on account of:

• investing the initial subscription,

• subscriptions and redemptions undertaken by the unit holders.

Purchase and sale of securities attract transaction costs of the nature of brokerage, stamp duty, custodian transaction charges, etc. The above limit of portfolio turnover is essential to regularly explore trading opportunities to optimise returns for the Scheme and enable portfolio restructuring when required.</td><td>As the Scheme is an income scheme, the investment strategy will reflect the relatively conservative character of the portfolio. The fixed income investment strategy would emphasize investment in instruments that generate consistently superior yields at low levels of risk. Rigorous indepth credit evaluation and analysis aimed at ascertaining both the short term financial health and long term solvency of the debt issuers will be carried out by ABSLAMC's research team. In addition, criteria such as sound corporate managements, prospects of good future growth and strong past performance will be considered. Essentially, the focus would be on long term fundamentally driven values. However, short term opportunities would also be seized, provided they are supported by underlying values.

Portfolio Turnover

The scheme has no explicit constraints either to maintain or limit the portfolio turnover. Portfolio turnover will depend upon the circumstances prevalent at any time and would also depend on the extent of volatility in the market and inflows/outflows in the scheme. The Fund Manager will however endeavour to maintain a low portfolio turnover rate.

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is frequently used by portfolio managers who use an immunization strategy.

Macaulay duration can be calculated:

$$\textbf{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t*C}{(1+y)^t} + \frac{n*M}{(1+y)^n}}{\textbf{Current Bond Price}}$$
Where:
• t = respective time period
• C = periodic coupon payment
• y = periodic yield
• n = total number of periods
• M = maturity value
• Current Bond Price = Present value of cash flows

The Macaulay duration can be viewed as the economic balance point of a group of cash flows. Another way to interpret the statistic is that it is the weighted average number of years an investor must maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond.

Factors Affecting Duration

A bond's price, maturity, coupon and yield to maturity all factor into the calculation of duration. All else equal, as maturity increases, duration increases. As a bond's coupon increases, its duration decreases. As interest rates increase, duration decreases and the bond's sensitivity to further interest rate increases goes down. Also, sinking fund in place, a scheduled prepayment before maturity and call provisions lower a bond's duration.</td></tr>
</table>

VIII. Aditya Birla Sun Life Short Term Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Short Term Fund</td><td>Aditya Birla Sun Life Corporate Bond Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Income Scheme</td><td>An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds.</td></tr>
<tr><td>3.</td><td>Investment Objective</td><td>The investment objective of the Scheme is to generate income and capital appreciation by investing 100% of the corpus in a diversified portfolio of debt and money market securities.</td><td>The investment objective of the scheme is to generate optimal returns with high liquidity through active management of the portfolio by investing in High Quality Debt and Money Market Instruments</td></tr>
<tr><td>4.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:

(% age of net assets)<table><tr><th>Instruments</th><th>Asset Allocation</th><th>Risk Profile</th></tr><tr><td>Debt & Money Market Instruments Out of which:</td><td>0-100%</td><td>Low to Medium</td></tr><tr><td>• Securities with less than 3 years Residual maturity</td><td>80-100%</td><td>Low to Medium</td></tr><tr><td>• Securities with less than 5 years Residual maturity</td><td>0-20%</td><td>Low to Medium</td></tr></table>
Average maturity of the scheme shall be of 1 to 3 years

The Fund Manager will review the portfolio for adherence with the above asset allocation pattern and rebalance the same within 30 days to conform to the above limits. Investment objectives of the Scheme are proposed to be achieved by investing, under normal market conditions, 100% of the corpus in a diversified portfolio of debt (fixed income) and money market securities. The Scheme retains the flexibility to invest across all of the various securities and other instruments in the debt and money markets. From time to time it is possible that the portfolio may hold cash.

Investment policies of the Scheme comply with the rules, regulations and guidelines laid out in the SEBI Regulations 1996, specifically the Seventh Schedule. All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI Regulations and amended from time to time.

All the investments by the Mutual Fund under the scheme shall be guided by investment restrictions as specified in SEBI (Mutual Funds) Regulations, 1996 from time to time.

Investments in debt and money market instruments will be made in securities rated as investment grade by atleast one recognised rating agency. Investments in unrated securities will be made with the prior approval of the Boards of Directors of the Trustee Company and the Asset Management Company or a committee thereof.

The Scheme reserves the right to invest in newer investment products including foreign debt (i.e. offshore investments) subject to approval of the Trustee Company and in compliance with the applicable SEBI Regulations.

Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign debt securities subject to overall cap as specified by SEBI. Under normal market conditions, the Scheme will be managed so as to maintain a Rupee weighted average duration not exceeding five years.

Individual investments may have maturity less than, equal to or greater than five years. The portfolios are expected to generate returns by prudently investing in sectors and issues in the debt and money markets, which provide consistently superior yields at low levels of risk.

The scheme may also invest upto 100% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations. Due consideration will be given to the liquidity of the Scheme's investments keeping in mind that the Scheme is open-ended. Liquidity will be provided through investment allocation, staggering maturities and investing in structured securities. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields and by laddering coupon payments and maturities within the Scheme's investments. Additional liquidity will also be provided through borrowing to meet redemptions in accordance with the SEBI Regulations.

Investments may be made in listed or unlisted instruments. Securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the Over the Counter Exchange of India. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc. The Scheme may enter into securities lending as allowed under the SEBI Regulations.

Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.</td><td>Under normal circumstances, the asset allocation pattern shall be as under:

(% age of net assets)<table><tr><th>Instruments</th><th>Asset Allocation</th><th>Risk Profile</th></tr><tr><td>Corporate Bonds</td><td>80-100%</td><td>Medium to High</td></tr><tr><td>Government Securities & Money Market Instruments</td><td>0-20%</td><td>Low to Medium</td></tr></table>
80% of total assets shall be invested only in AA+ and above rated Corporate bonds

The Fund Manager will review the portfolio for adherence with the above asset allocation pattern and rebalance the same within 30 days to conform to the above limits. Investment objectives of the Scheme are proposed to be achieved by investing, under normal market conditions, 100% of the corpus in a diversified portfolio of debt (fixed income) and money market securities. The Scheme retains the flexibility to invest across all of the various securities and other instruments in the debt and money markets. From time to time it is possible that the portfolio may hold cash.

Investment policies of the Scheme comply with the rules, regulations and guidelines laid out in the SEBI Regulations 1996, specifically the Seventh Schedule. All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI Regulations and amended from time to time.

All the investments by the Mutual Fund under the scheme shall be guided by investment restrictions as specified in SEBI (Mutual Funds) Regulations, 1996 from time to time.

Investments in unrated securities will be made with the prior approval of the Boards of Directors of the Trustee Company and the Asset Management Company or a committee thereof.

The Scheme reserves the right to invest in newer investment products including foreign debt (i.e. offshore investments) subject to approval of the Trustee Company and in compliance with the applicable SEBI Regulations.

Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign debt securities subject to overall cap as specified by SEBI.

The scheme may invest into securitised debt upto 50% of net assets

The portfolio is expected to generate returns by prudently investing in sectors and issues in the debt and money markets, which provide consistently superior yields at low levels of risk.

The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations. Due consideration will be given to the liquidity of the Scheme's investments keeping in mind that the Scheme is open-ended. Liquidity will be provided through investment allocation, staggering maturities and investing in structured securities. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields and by laddering coupon payments and maturities within the Scheme's investments. Additional liquidity will also be provided through borrowing to meet redemptions in accordance with the SEBI Regulations.

Investments may be made in listed or unlisted instruments. Securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the Over the Counter Exchange of India. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc. The Scheme may enter into securities lending as allowed under the SEBI Regulations.

Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.</td></tr>
</table>

IX. Aditya Birla Sun Life Corporate Bond Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Corporate Bond Fund</td><td>Aditya Birla Sun Life Credit Risk Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Income Scheme.</td><td>An open ended debt scheme predominantly investing in AA and below rated corporate bonds.</td></tr>
<tr><td>3.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation of the Scheme will be as follows:

(% age of net assets)<table><tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr><tr><td>Corporate Debt securities* excluding Government securities and State Development Loans</td><td>70-100%</td><td>Low to Medium</td></tr><tr><td>Money Market Instruments</td><td>0-20%</td><td>Low</td></tr><tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr></table>
The scheme will be managed so that the maximum duration of the portfolio is capped at 4 years.

*For the purpose of this Scheme, Corporate debt securities shall mean non-convertible debt securities, including debentures, bonds and such other securities of a company or a body corporate constituted by or under a Central or State Act, whether constituting a charge on the assets of the company or body corporate or not, but does not include debt securities issued by Government.

The scheme shall not invest in Government Securities and State Developmental Loans but may invest in money market instruments including T-Bills, Repo, and Reverse Repos & CBLO within the limits mentioned in asset allocation pattern.

The scheme may also invest up to 50% of the net assets in securitized debt instruments except foreign securitized debt.

The scheme may invest in derivatives instruments upto 50% of net assets subject to provisions specified in SEBI Circular no. DNPD/Cir 29/ 2005 dated September 14, 2005, SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006, SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and such other SEBI guidelines issued from time to time. The scheme may use fixed income derivative instruments, subject to guidelines as maybe issued by SEBI and/or RBI and for such purposes as may be permitted from time to time, including for the purpose of hedging and portfolio rebalancing based on available opportunities.

In accordance with SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through debt, money market and derivative positions shall not exceed 100% of the net assets of the scheme.

The scheme may take exposure in repo / reverse repo transactions in Corporate Debt Securities. The scheme shall participate in repo transactions only in AA and above rated corporate debt securities. The gross exposure to repo transactions in corporate debt securities shall not be more than 10 % of the net assets. The cumulative gross exposure through repo transactions in corporate debt securities along with corporate debt and money market instruments and derivative positions shall not exceed 100% of the net assets of the scheme.

The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.The scheme shall not invest in Foreign Securities. The scheme shall not engage in short selling and securities lending activities.</td><td>Under normal circumstances, the asset allocation of the Scheme will be as follows:

(% age of net assets)<table><tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr><tr><td>Corporate Debt securities* excluding Government securities and State Development Loans</td><td>70-100%</td><td>Low to Medium</td></tr><tr><td>Money Market Instruments</td><td>0-20%</td><td>Low</td></tr><tr><td>Units issued by REITs & InvITs</td><td>0-10%</td><td>Medium to High</td></tr></table>
65% of total assets shall be invested in AA (excludes Corporate bonds rated AA+ and higher.) and below rated corporate bonds.

The scheme will be managed so that the maximum duration of the portfolio is capped at 4 years.

* For the purpose of this Scheme, Corporate debt securities shall mean non-convertible debt securities, including debentures, bonds and such other securities of a company or a body corporate constituted by or under a Central or State Act, whether constituting a charge on the assets of the company or body corporate or not, but does not include debt securities issued by Government.

The scheme shall not invest in Government Securities and State Developmental Loans but may invest in money market instruments including T-Bills, Repo, and Reverse Repos & CBLO within the limits mentioned in asset allocation pattern.

The scheme may also invest up to 50% of the net assets in securitized debt instruments except foreign securitized debt.

The scheme may invest in derivatives instruments upto 75% of net assets subject to provisions specified in SEBI Circular no. DNPD/Cir 29/ 2005 dated September 14, 2005, SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006, SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 and such other SEBI guidelines issued from time to time. The scheme may use fixed income derivative instruments, subject to guidelines as maybe issued by SEBI and/or RBI and for such purposes as may be permitted from time to time, including for the purpose of hedging and portfolio rebalancing based on available opportunities. In accordance with SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through debt, money market and derivative positions shall not exceed 100% of the net assets of the scheme.

The scheme may take exposure in repo / reverse repo transactions in Corporate Debt Securities. The scheme shall participate in repo transactions only in AA and above rated corporate debt securities. The gross exposure to repo transactions in corporate debt securities shall not be more than 10 % of the net assets. The cumulative gross exposure through repo transactions in corporate debt securities along with corporate debt and money market instruments and derivative positions shall not exceed 100% of the net assets of the scheme. The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

Under normal circumstances this scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.

The scheme shall not engage in short selling and securities lending activities.</td></tr>
</table>

X. Aditya Birla Sun Life Floating Rate Fund- Long Term Plan:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td>The primary objective of the schemes is to generate regular income through investment in a portfolio comprising substantially of floating rate debt / money market instruments. The scheme may invest a portion of its net assets in fixed rate debt securities and money market instruments.</td><td>An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps / derivatives)</td></tr>
<tr><td>2.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation of the Scheme will be as follows:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Floating Rate Debt Securities (including securitized debt, money market instruments and Fixed rate debt instruments swapped for floating rate returns)</td><td>65-100%</td><td>Low to Medium</td></tr>
<tr><td>Fixed Rate Debt Securities (including securitized debt, money market instruments & Floating rate debt instruments swapped for Fixed rate returns)</td><td>0-35%</td><td>Low to Medium</td></tr>
</table>
Under normal circumstances at least 65% of the total portfolio will be invested in floating rate debt securities / money market instruments. This may be by way of direct investment in floating rate assets or fixed rate assets swapped for floating rate returns by using derivatives as described later in this section. It is the intention of the scheme that the investments in securitised debts will not, normally exceed 60% of the net assets of the respective plans.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.
In addition to the securities stated in the table above, the scheme may enter into repos / reverse repos with respect to the securities that it will invest in or as may be permitted by the RBI from time to time. A part of the net assets may be invested in the call money market or in an alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements. Pending deployment as per investment objective, the monies under the scheme may be invested in short-term deposits of Scheduled Commercial Banks.</td>
<td>Under normal circumstances, the asset allocation of the Scheme will be as follows:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Floating Rate Debt Securities (including securitized debt and Fixed rate debt instruments swapped for floating rate returns)</td><td>65-100%</td><td>Low to Medium</td></tr>
<tr><td>Fixed Rate Debt Securities (including securitized debt, money market instruments & Floating rate debt instruments swapped for Fixed rate returns)</td><td>0-35%</td><td>Low to Medium</td></tr>
</table>
Under normal circumstances at least 65% of the total portfolio will be invested in floating rate debt securities. This may be by way of direct investment in floating rate assets or fixed rate assets swapped for floating rate returns by using derivatives. It is the intention of the scheme that the investments in securitised debts will not, normally exceed 60% of the net assets of the scheme.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.
In addition to the securities stated in the table above, the scheme may enter into repos / reverse repos with respect to the securities that it will invest in or as may be permitted by the RBI from time to time. A part of the net assets may be invested in the call money market or in an alternative investment for the call money market as may be provided by the RBI to meet the liquidity requirements. Pending deployment as per investment objective, the monies under the scheme may be invested in short-term deposits of Scheduled Commercial Banks.</td></tr>
</table>

XI. Aditya Birla Sun Life Treasury Optimizer Plan:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of Scheme</td><td>Aditya Birla Sun Life Treasury Optimizer Plan</td><td>Aditya Birla Sun Life Banking & PSU Debt Fund</td></tr>
<tr><td>2.</td><td>Type of Scheme</td><td>An Open ended Short Term Income Scheme</td><td>An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.</td></tr>
<tr><td>3.</td><td>Investment Objective</td><td>The investment objective of the Scheme is to generate income and capital appreciation by investing 100% of the corpus in a diversified portfolio of debt and money market securities with relatively low levels of interest rate risk.</td><td>To generate reasonable returns by primarily investing in debt and money market securities that are issued by Banks, Public Sector Undertakings (PSUs) and Public Financial Institutions (PFIs) in India.</td></tr>
<tr><td>4.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Maximum Exposure</th><th>Credit Risk Profile</th><th>Risk Profile</th></tr>
<tr><td colspan="4">Dated Fixed Income Securities</td></tr>
<tr><td>Treasury Bills</td><td>100%</td><td>Sovereign</td><td>Short</td></tr>
<tr><td>Government of India Securities</td><td>100%</td><td>Sovereign</td><td>Short to Medium</td></tr>
<tr><td>Corporate Debt</td><td>100%</td><td>Medium to High</td><td>Medium to Long</td></tr>
<tr><td>State Government Bonds</td><td>50%</td><td>Low</td><td>Medium to Long</td></tr>
<tr><td>Government Guaranteed Bonds</td><td>50%</td><td>Low</td><td>Medium to Long</td></tr>
<tr><td>Public Sector Undertaking Bonds</td><td>100%</td><td>Medium</td><td>Medium to Long</td></tr>
<tr><td>Asset Backed Securities</td><td>75%</td><td>Low to Medium</td><td>Short to Medium</td></tr>
<tr><td>Financial Institution & Banking Sector Bonds</td><td>75%</td><td>Low to Medium</td><td>Medium to Long</td></tr>
</table>
<table>
<tr><td colspan="4">Money Market Securities</td></tr>
<tr><td>Call Money</td><td>100%</td><td>Low</td><td>Short</td></tr>
<tr><td>Commercial Paper</td><td>100%</td><td>Medium to High</td><td>Short</td></tr>
<tr><td>Certificate of Deposits</td><td>100%</td><td>Low to Medium</td><td>Short</td></tr>
<tr><td>Discounted Trade Bills</td><td>75%</td><td>Low to Medium</td><td>Short</td></tr>
</table>
The Fund manager may also make investments in Term/Fixed deposits from time to time. The Fund Manager will review the portfolio for adherence with the above asset allocation pattern and rebalance the same within 30 days to conform to the above limits.
Investment objectives of the Scheme are proposed to be achieved by investing, under normal market conditions, 100% of the corpus in a diversified portfolio of debt (fixed income) and money market securities. The Scheme retains the flexibility to invest across all of the various securities in the debt and money markets. From time to time it is possible that the portfolio may hold cash. The Scheme reserves the right to invest its entire allocation in any one or more of the debt security classes to the extent stated hereinabove. For instance, 75% of the entire asset allocation, may be invested in asset-backed securities. Investment policies of the Scheme comply with the rules, regulations and guidelines laid out in the SEBI (MF) Regulations 1996, specifically the Seventh Schedule. All of the Scheme's assets will be invested in transferable securities. The corpus of the Scheme shall not in any manner be used in option trading, short selling or carry forward transactions as stipulated in SEBI (MF) Regulations and amended from time to time. Investments in debt and money market instruments will be made in securities rated as investment grade by atleast one recognised rating agency. Investments in unrated securities will be made with the prior approval of the Boards of Directors of the Trustee Company and the Asset Management Company or a committee thereof.
The Scheme reserves the right to invest in newer investment products at a future date subject to approval of the Trustee Company and in accordance with any applicable SEBI and / or RBI guidelines that may be issued in this regard, and after making the required disclosures prescribed under SEBI (MF) Regulations or by any other regulatory body.
However, such investments also entail additional risks. Such investment opportunities may be pursued by the Scheme provided they are considered appropriate in terms of the overall investment objectives of the Scheme.
It is the intention of the Scheme to use fixed income derivatives to achieve investment objectives in compliance with SEBI (MF) Regulations, 1996.
The scheme may also invest upto 100% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations. Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign debt securities subject to the overall cap as specified by SEBI.
The Scheme proposes to invest in fixed income and money market securities. The liquidity of certain of these investments may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have settlements ranging from one-to-fourteen days, and such periods may be extended significantly by unforeseen circumstances. Investment in unlisted and / or unrated securities too may become realisable only upon maturity of the securities.
Due consideration will be given to the liquidity of the Scheme's investments keeping in mind that the Scheme is open-ended. Liquidity will be provided through investment allocation, staggering maturities and investing in structured securities. Liquidity will also be managed by opportunistically investing in the call money market when call money yields are attractive relative to other money market yields and by laddering coupon payments and maturities within the Scheme's investments. Additional liquidity will also be provided through borrowing to meet redemptions in accordance with the SEBI (MF) Regulations.
Investments may be made in listed or unlisted instruments. Securities may be listed on any of the recognised Indian stock exchanges including the National Stock Exchange and the Over the Counter Exchange of India. Investments may be made as secondary market purchases, initial public offers, private placements, negotiated investments, rights offers, etc. The portion of the Scheme's portfolio invested in each type of security will vary in accordance with economic conditions, interest rates, liquidity and other relevant considerations, including the risks associated with each investment. The Scheme will, in order to reduce the risks associated with any one security, utilize a variety of investments. Performance will depend on the Asset Management Company's ability to assess accurately and react to changing market conditions. While it is the intention of the Scheme to maintain the maximum exposure guidelines provided in the table above there may be instances when these percentages may be exceeded. Typically, this may occur when the net assets of the scheme fall below Rs. 30 Crores.
The Scheme may enter into securities lending as allowed under the SEBI (MF) Regulations. Notwithstanding the foregoing investment policies for the scheme, for temporary defensive purposes (e.g., during periods in which the Asset Management Company believes changes in the securities market or economic or other conditions warrant), the scheme may invest in Indian Government T-Bills and hold cash or cash equivalents and other money market instruments. The Trustee of the Mutual Fund may from time to time alter these limitations in conformity with the SEBI (MF) Regulations, 1996 and other guidelines or notifications that may be issued by SEBI.</td>
<td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instruments</th><th>Asset Allocation</th><th>Risk Profile</th></tr>
<tr><td>Debt * and Money Market Instruments, issued by Scheduled Commercial Banks, Public Sector Undertakings (PSUs) & Public Financial Institutions (PFIs) and Municipal Bonds</td><td>80-100%</td><td>Medium to High</td></tr>
<tr><td>Debt* (including government securities,) and Money Market Instruments issued by entities other than the above @^</td><td>0-20%</td><td>Low to Medium</td></tr>
</table>
*Including investments in securitized debt up to 50% of the net assets except foreign securitized debt.
@The non- banking, non PSU part of the portfolio will have exposure to companies from the private sector.
^The scheme will invest in State Development Loans and UDAY Bonds issued by PSU &PFI as mentioned below.
Public sector entities/undertakings to include those entities,:
• in which the Government of India / a State Government has atleast 51% shareholding.
• notified / qualifies as public sector entities, in accordance with norms / notified by Government of India / a State Government
• the debt of which is guaranteed by Government of India / a State Government.
Public Financial Institution" means -
(i) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956;
(ii) the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;
(iii) specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
(iv) institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;
(v) such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India:
Provided that no institution shall be so notified unless -
(A) it has been established or constituted by or under any Central or State Act; or
(B) not less than fifty-one per cent of the paid-up share capital is held or controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments;
Banks will include all scheduled commercial banks which are regulated by Reserve Bank of India.
The scheme may use fixed income derivative upto 50% of the net assets, for the purpose of hedging and portfolio rebalancing or to undertake any other strategy as permitted under SEBI (MF) Regulations from time to time
The scheme shall participate in repo transactions The gross exposure to repo transactions in corporate debt securities shall not be more than 10 % of the net assets. In terms of provisions of SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 read with SEBI circular no. CIR / IMD / DF / 23 / 2012 dated November 15, 2012, Repo in Corporate debt securities shall be in accordance with guidelines as prescribed by the Board of Directors of the Aditya Birla Sun Life AMC Limited and Aditya Birla Sun Life Trustee Private Limited, subject to directions issued by RBI and SEBI from time to time.
The cumulative gross exposure in debt and money market instruments and derivative positions shall not exceed 100% of the net assets of the scheme.
The scheme shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.
The scheme shall not invest in Foreign Securities and Credit Default Swaps. The scheme shall not engage in short selling and securities lending activities.</td></tr>
<tr><td>5.</td><td>Investment Strategy</td><td>The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. As per the asset allocation pattern, the Fund invests in various debt securities and money market instruments issued by corporates and/or state and central government. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. The credit evaluation includes a study of the operating environment of the company, the past track record as well as the future prospects of the issuer, the short as well as long-term financial health of the issuer. The AMC is also guided by the ratings of rating agencies such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators.
In addition, the Investment Team of the AMC studies the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC use this analysis to attempt to predict the likely direction of interest rates and position the portfolio.</td><td>The Scheme will invest in securities issued by banks and financial institutions across maturities with an intention to offer reasonable level of yields at lower levels of risk while maintaining sufficient portfolio liquidity. The fund manager will focus on credit quality as an important criterion for investment decision making. The Fund will typically invest in short to medium term securities and as a result significant proportion of the total returns is likely to be in the form of income yield or accrual. The general maturity range for the portfolio will be determined after considering the prevailing political conditions, the economic environment (including interest rates and inflation),the performance of the corporate sector and general liquidity as well as other considerations in the economy and markets.</td></tr>
</table>

XII. Aditya Birla Sun Life Savings Fund:

<table>
<tr><th>Sr. No.</th><th>Features</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Type of Scheme</td><td>An Open ended Short Term Income Scheme</td><td>An open ended ultra-short term debt scheme investing in instruments such that Macaulay duration of the portfolio is between 3 months and 6 months.</td></tr>
<tr><td>2.</td><td>Asset Allocation</td><td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instrument</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments</td><td>Upto 100%</td><td>Low to Medium</td></tr>
</table>
If the scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not, normally, exceed 50% of the corpus of the Scheme.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances each scheme shall not have an exposure of more than 15% of its net assets in foreign securities.
However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td>
<td>Under normal circumstances, the asset allocation pattern shall be as under:
(% age of net assets)
<table>
<tr><th>Instrument</th><th>Asset Allocation Range</th><th>Risk Profile</th></tr>
<tr><td>Debt and Money Market Instruments</td><td>Upto 100%</td><td>Low to Medium</td></tr>
</table>
Macaulay duration of the portfolio will be between 3 months- 6 months. If the scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not, normally, exceed 50% of the corpus of the Scheme.
The scheme may also invest upto 50% of the portfolio (i.e. net assets including cash) in such derivative instruments as may be introduced from time to time subject to framework specified by SEBI, for the purpose of hedging and portfolio balancing and other uses as may be permitted under SEBI Regulations.
Under normal circumstances each scheme shall not have an exposure of more than 15% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time.</td></tr>
<tr><td>3.</td><td>Investment Strategy</td><td>The investment emphasis of the scheme will be in identifying companies with a strong competitive position in good businesses, and having quality managements. The investment strategy would emphasis investment in instruments that generate consistently superior yields at low levels of risk.
Investment Securities
To achieve the scheme objective, the scheme will invest in a wide range of instruments including:
• Government of India Securities:
• Obligations of Public Sector Undertakings (PSUs) including bonds, debentures and certificates of deposit.
• Obligations of domestic public and private sector banks, and development financial institutions</td><td>The investment emphasis of the scheme will be in identifying companies with a strong competitive position in good businesses, and having quality managements. The investment strategy would emphasis investment in instruments that generate consistently superior yields at low levels of risk.
Given the nature of the scheme, liquidity would be a key driver in the construction of the portfolio. The scheme may review the above pattern of investments based on views on interest rates and asset liability management needs. From time to time, it is possible that the portfolio may hold cash.
However, at all times the portfolio will adhere to the overall investment allocation pattern as specified earlier.</td></tr>
</table>

		including bonds, debentures and certificates of deposit. • Obligations of domestic corporations, including bonds, debentures, non-convertible portion of convertible debentures, securitized debt and promissory notes, pass- through obligations, commercial paper and structured obligations. • Call money, fixed deposits of domestic banks or corporations, and other money market instruments, as permitted by SEBI. • Other domestic instruments, listed or unlisted, as may be offered in the domestic market and permitted by SEBI. • Derivatives and other investments permitted by regulations from time to time. Within the defined asset allocation parameters, there are many ways in which a portfolio can be constructed. Any specific asset allocation will be made keeping in mind the contemporary realities in the economy, financial system, and investment as well as investor outlook. Given below is specific representative instance. **Asset Class** — **Percentage Allocation (%)** Corporate Debt — 35 PSU Bonds — 15 GOI Securities — 30 Money Market Instruments — 10 Call Money — 10 Total — 100 Given the nature of the scheme, liquidity would be a key driver in the construction of the portfolio. The scheme may review the above pattern of investments based on views on interest rates and asset liability management needs. From time to time, it is possible that the portfolio may hold cash. However, at all times the portfolio will adhere to the overall investment allocation pattern as specified earlier.	The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is frequently used by portfolio managers who use an immunization strategy. Macaulay duration can be calculated: $\text{Macaulay Duration} = \dfrac{\sum_{t=1}^{n} \dfrac{t^*C}{(1+y)^t} + \dfrac{n^*M}{(1+y)^n}}{\text{Current Bond Price}}$ Where: • t = respective time period • C = periodic coupon payment • y = periodic yield • n = total number of periods • M = maturity value • Current Bond Price = Present value of cash flows The Macaulay duration can be viewed as the economic balance point of a group of cash flows. Another way to interpret the statistic is that it is the weighted average number of years an investor must maintain a position in the bond until the present value of the bond's cash flows equals the amount paid for the bond. Factors Affecting Duration A bond's price, maturity, coupon and yield to maturity all factor into the calculation of duration. All else equal, as maturity increases, duration increases. As a bond's coupon increases, its duration decreases. As interest rates increase, duration decreases and the bond's sensitivity to further interest rate increases goes down. Also, sinking fund in place, a scheduled prepayment before maturity and call provisions lower a bond's duration.

Subsequent to change in Fundamental Attributes of Aditya Birla Sun Life Savings Fund, as mentioned above, the existing Aditya Birla Sun Life Banking & PSU Debt Fund, an Open ended Income Scheme will be merged into Aditya Birla Sun Life Savings Fund.

XIII. Aditya Birla Sun Life Dynamic Bond Fund:

Sr. No.	Features	Existing Provisions	Revised Provisions
1.	**Type of Scheme**	An Open ended Income Scheme.	An open ended dynamic debt scheme investing across duration.
2.	**Investment Objective**	The investment objective of the scheme is to generate optimal returns with high liquidity through active management of the portfolio by investing in High Quality Debt and Money Market Instruments.	The investment objective of the scheme is to generate optimal returns with high liquidity through active management of the portfolio by investing in Debt and Money Market Instruments.

The above modifications (other than change in Name of scheme, Type of scheme, Investment Strategy, Benchmark and Portfolio Turnover) are changes in the Fundamental Attributes of the Schemes as per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017.

The Securities and Exchange Board of India has communicated its no-objection for the above changes vide its letter no. IMD/DF3/OW/P/2018/7315/1 dated March 08, 2018 and letter no. IMD/DF3/OW/P/2018/12535/1 dated April 25, 2018.

<u>Provisions related to Change in Fundamental Attributes - Exit Option to the Unitholders:</u>

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on April 30, 2018) under the schemes are hereby given an option to exit, **i.e. either redeem their investments or switch their investments to any other schemes of Aditya Birla Sun Life Mutual Fund, within the 30 days exit period starting from May 02, 2018 till June 01, 2018 (both days inclusive and upto 3.00 pm on June 01, 2018)** at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption / switch-out request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website www.adityabirlasunlifemf.com. A separate written communication is being sent to the existing Unit holders in this regard. In case any existing Unit holder has not received an Exit Option Letter, they are advised to contact any of the Investor Service Centres of Aditya Birla Sun Life AMC Limited.

Unitholders who do not exercise the exit option by 3.00 p.m. on June 01, 2018 would be deemed to have consented to the proposed modifications. It may also be noted that no action is required in case Unitholders are in agreement with the aforesaid changes, which shall be deemed as consent being given by them for the proposed changes.

Kindly note that an offer to exit is merely optional and is not compulsory.

All the valid applications for redemptions/switch-outs received under the schemes shall be processed at Applicable NAV of the day of receipt of such redemption / switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges / encumbrances prior to the submission of redemption / switch requests.

Unitholders should ensure that their change in address or bank details are updated in records of Aditya Birla Sun Life Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

Redemption / switch-out of units from the Schemes, during the exit period, may entail capital gain/loss in the hands of the unitholder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. **In view of individual nature of tax implications, unitholders are advised to consult their tax advisors.** For details on Tax implications, please refer to SID of the Scheme and Statement of Additional Information available with our Investor Service Centres and on our website www.adityabirlasunlifemf.com.

The updated SIDs & KIMs of the Schemes containing the revised provisions shall be made available with our Investor Service Centres and also displayed on the website www.adityabirlasunlifemf.com immediately after completion of duration of exit option.

All other features and terms and conditions of the Schemes shall remain unchanged.

<u>C. Merger of Schemes</u>

Sr. No.	Merging Scheme(s)	Surviving Scheme(s)	SEBI No-Objection
1.	Aditya Birla Sun Life India Opportunities Fund	Aditya Birla Sun Life Digital India Fund (formerly known as Aditya Birla Sun Life New Millennium Fund)	Letter no. IMD/DF3/OW/P/2018/7315/1 dated March 08, 2018.
2.	Aditya Birla Sun Life MIP	Aditya Birla Sun Life Regular Savings Fund (formerly known as Aditya Birla Sun Life MIP II - Wealth 25 Plan)	
3.	Aditya Birla Sun Life Monthly Income		
4.	Aditya Birla Sun Life MIP II - Savings 5 Plan		
5.	Aditya Birla Sun Life Banking &PSU Debt Fund	Aditya Birla Sun Life Savings Fund	
6.	Aditya Birla Sun Life Constant Maturity 10 Year Gilt Fund	Aditya Birla Sun Life Government Securities Fund (formerly known as Aditya Birla Sun Life Gilt Plus - PF Plan)	

a. Effective date for Merger:

The Merger shall be effective on June 04, 2018 (Effective Date). Accordingly, on the Effective Date, the Merging Schemes will cease to exist and the unit holders of the Merging Schemes will be allotted units under the corresponding option of the Surviving Schemes at the last available applicable Net Asset Value before the Effective Date.

b. No Change to Surviving Schemes post Merger:

Consequent to aforesaid merger, there will be no change in the name or other attributes of the Surviving Schemes and accordingly, interest of unitholders of Surviving Schemes is not adversely affected. The investment objective, asset allocation, investment pattern, annual schemes recurring expenses and all other provisions as contained in the Scheme Information Document ('SID') of Surviving Schemes will remain unchanged post the merger. Accordingly, the proposed merger will not be treated as change in Fundamental Attributes of Surviving Schemes in terms of SEBI Circular No. Cir/IMD/DF/15/2010 dated October 22, 2010. Thus, no new schemes will come into existence as a result of the aforesaid merger.

c. Exit Option for Unitholders of Merging Schemes:

Pursuant to SEBI Circular No. SEBI/MFD/CIR No. 05/12031/03 dated June 23, 2003 read with SEBI Circular No. Cir/IMD/DF/15/2010 dated October 22, 2010, the above changes are considered as change in the Fundamental Attributes of Merging Schemes, and consequently, as per Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 any change in fundamental attributes can be carried out after a written communication is sent to all the unitholders of Merging Scheme, giving them an option to redeem/switch their investments at the prevailing Net Asset Value, without payment of any exit load.

Accordingly, the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on April 30, 2018 under the Merging schemes are hereby given an option to exit, **i.e. either redeem their investments or switch their investments to any other schemes of Aditya Birla Sun Life Mutual Fund**, within the 30 days exit period starting **from May 02, 2018 till June 01, 2018 (both days inclusive and upto 3.00 pm on June 01, 2018)** at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption / switch-out request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website www.adityabirlasunlifemf.com. Unit holders who hold the units of Merging Schemes in electronic (demat) mode need to submit the redemption request to their Depository Participant.

All the valid applications for redemptions/switch-outs received under the Schemes shall be processed at Applicable NAV of the day of receipt of such redemption / switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges / encumbrances prior to the submission of redemption / switch requests.

Unitholders should ensure that their change in address or bank details are updated in records of Aditya Birla Sun Life Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding Units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above. The redemption proceeds shall be dispatched within 10 business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

In case of unit holders under Merging Schemes who had registered for Systematic investment facilities such as SIP/STP/SWP decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWP registrations will continue to be processed under the respective Plan/Option of Surviving Schemes from the Effective Date and no fresh registration will be required. However, unit holders who do not wish to continue the SIP/SWP/STP (unless the systematic transfer is registered as from and between the Merging Schemes and Surviving Schemes) under the Surviving Schemes, must apply for cancellation of their registrations before the Effective Date.

The units allotted to the unitholders in the Surviving Schemes shall be treated as fresh subscription in the Surviving Schemes. However, the date of allotment at the time of subscription in Merging Schemes shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units in Surviving Schemes.

The exit offer is not available to the unitholdersof the Surviving Schemes since there is no change in the fundamental attributes of the Surviving Schemes.

Unitholders should note that after the Merger, amounts relating to unclaimed redemption and Dividend will be transferred in the name of the Surviving Schemes.

Kindly note that an offer to exit from the Merging Schemes is merely optional and is not compulsory.

You may also note that no action is required in case you are in agreement with the aforesaid Merger, which shall be deemed as an acceptance to the Merger.

Pursuant to above Mergers, all references to Merging Schemes will be deleted from Scheme Information Documents and Key Information Memorandums of schemes of Aditya Birla Sun Life Mutual Fund.

d. Communication to Unitholders of Merging Schemes:

Communication is being sent to the all existing unitholders of Merging Schemes informing the details about the Merger including, basis of allocation of Units into Surviving Schemes, tax implication, financial information and features of the Schemes etc. In case any existing Unitholders has not received an Exit Option Communication, are advised to contact any of the Investor Service Centres of Aditya Birla Sun Life AMC Limited.

e. Gist of Tax Implications :

The Finance Act, 2016 amended Section 47 so as to include clause (xix) which provides that any transfer of unit or units by a unit holder held by him in the Consolidating Plan of a Mutual Fund Scheme, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated Plan of that Mutual Fund Scheme under the process of consolidation of the Schemes of Mutual Ffund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply.

As per the amendments, allotment of units in Surviving Scheme, pursuant to merger, to Unit holders of Merging Scheme who decide to continue will not be considered as redemption of Units in Merging Scheme and will not result in short term / long term capital gain / loss in the hands of the unit holders. Further, the cost of acquisition of units allotted in Surviving Plan (Consolidated Plan) pursuant to merger or consolidation of plans of a Mutual Fund Scheme will be the cost of acquisition of units in Transferor Plan (Consolidating Plan).

However redemption of units from Merging Scheme and/or switch-out of units of Merging Scheme to any other schemes of the Fund during exit window shall be considered as redemption in Merging Scheme and will result in short term / long term capital gain / loss in the hands of the Unit holders depending on the period of holding of the investment.

Securities Transaction Tax(STT) w.r.t. units of Merging scheme, if any, on account of merger would be borne by Aditya Birla Sun Life AMC Ltd. Further there would be no STT on allotment of units in Surviving Schemes pursuant to Merger to unit holder who decide to continue.

In view of individual nature of tax consequences, Unit holders are advised to consult his / her / their professional tax advisor w.r.t. tax and other financial implications arising out of his / her / their participation in merger of schemes.

To locate your nearest Investor Service Centre (ISC) we request you to visit www.adityabirlasunlifemf.com.

This Notice-cum-addendum forms an integral part of the Scheme Information Document/Key Information Memorandum of the Schemes read together with the addenda issued thereunder.

For **Aditya Birla Sun Life AMC Ltd.**
(Investment Manager for Aditya Birla Sun Life Mutual Fund)
Sd/-
Authorised Signatory

Place: Mumbai
Date: April 28, 2018

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