Mahindra
MUTUAL FUND

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED
Corporate Identity Number: U65900MH2013PTC244758
Registered Office : "A" Wing, 4th Floor, Mahindra Towers, Dr. G.M Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400 018
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NOTICE - CUM –ADDENDUM NO. 32/2017

NOTICE - CUM – ADDENDUM TO SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF MAHINDRA MUTUAL FUND DHAN SANCHAY YOJANA, AN OPEN ENDED EQUITY SCHEME OF MAHINDRA MUTUAL FUND

Notice is hereby given to the unitholders of Mahindra Mutual Fund Dhan Sanchay Yojana, an open ended equity scheme ("the Scheme") that the Board of Directors of Mahindra Asset Management Company Private Limited ("MAMCPL") and Mahindra Trustee Company Private Limited, Trustee to Mahindra Mutual Fund ("the Fund") have approved the following changes to the key provisions of the Scheme.

<table>
<tr><th>Sr. No</th><th>Particulars</th><th>Existing Provisions</th><th>Revised Provisions</th></tr>
<tr><td>1.</td><td>Name of the Scheme</td><td>Mahindra Mutual Fund Dhan Sanchay Yojana</td><td>Mahindra Dhan Sanchay Equity Savings Yojana</td></tr>
<tr><td>2.</td><td>Type of the Scheme</td><td>An Open ended Equity Scheme</td><td>An open ended scheme investing in equity, arbitrage and debt</td></tr>
<tr><td>3.</td><td>Benchmark Index#</td><td>Composite Benchmark: 45% Nifty Index + 55% Crisil Composite Bond Fund Index
Justification of Benchmark
The Scheme intends to maintain a net exposure to upto 45% in equity & equity related instruments and the balance in arbitrage and fixed income. Hence, a customized benchmark has been created to compare its performance.</td><td>Composite Benchmark: 55% Nifty Index + 30% Crisil Composite Bond Fund Index+15% Crisil Liquid Fund Index
Justification of Benchmark
The Scheme intends to maintain a net exposure to upto 55% in equity & equity related instruments and the balance in arbitrage and fixed income. Hence, a customized benchmark has been created to compare its performance.</td></tr>
<tr><td>4.</td><td>How will the scheme allocate its assets? #</td><td>The Asset Allocation Pattern of the Scheme under normal circumstances would be as under:
<table>
<tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of assets)</th></tr>
<tr><th></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related Securities^ of which</td><td>65</td><td>85</td></tr>
<tr><td>(i) Equity and Equity related securities (unhedged)*</td><td>35</td><td>50</td></tr>
<tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure *</td><td>15</td><td>35</td></tr>
<tr><td>Debt and Money Market Securities^</td><td>15</td><td>35</td></tr>
</table>
If the debt / money market instruments offer better returns than the arbitrage opportunities available in cash and derivatives segments of equity markets then the investment manager may choose to have a lower equity exposure. In such defensive circumstances the asset allocation will be as per the below table:
<table>
<tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of assets)</th></tr>
<tr><th></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related Securities^ of which</td><td>35</td><td>70</td></tr>
<tr><td>(i) Equity and Equity related securities (unhedged)*</td><td>35</td><td>50</td></tr>
<tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure*</td><td>0</td><td>20</td></tr>
<tr><td>Debt and Money Market Securities ^</td><td>30</td><td>65</td></tr>
</table>
*Equity allocation is measured as the Gross exposure to equities, equity related instruments and derivatives. The scheme will enter into derivatives transactions for hedging. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved and execution costs. On the total portfolio level the scheme does not intend to take a net short exposure to equity markets. Unhedged positions in the portfolio (investments in equity shares without corresponding exposure to equity derivative) shall not exceed 50% of the net assets.
^The Scheme may also use derivatives for such purposes as may be permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. The Scheme may also use fixed income derivative instruments subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time.
The Scheme shall not invest in securitised debt, credit default swaps, repos in corporate bonds and shall not engage into stock lending/short selling. The Scheme does not propose to invest in foreign securities.
The cumulative gross exposure through investments in equity and equity related securities, debt securities, money market instruments and exposure in derivatives' positions shall not exceed 100% of the net assets of the Scheme.
Pursuant to SEBI circular No. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, the Scheme may deploy NFO proceeds in Collateralized Borrowing and Lending Obligations (CBLO) before the closure of NFO period. However, the AMC shall not charge any investment management and advisory fees on funds deployed in CBLOs during the NFO period.</td><td>The Asset Allocation Pattern of the Scheme under normal circumstances would be as under:
<table>
<tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of assets)</th></tr>
<tr><th></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related Securities^ of which</td><td>65</td><td>85</td></tr>
<tr><td>(i) Equity and Equity related securities (unhedged)*</td><td>40</td><td>60</td></tr>
<tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure (hedged) *</td><td>5</td><td>25</td></tr>
<tr><td>Debt and Money Market Securities^</td><td>15</td><td>35</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td></tr>
</table>
If the debt / money market instruments offer better returns than the arbitrage opportunities available in cash and derivatives segments of equity markets then the investment manager may choose to have a lower arbitrage exposure. In such defensive circumstances the asset allocation will be as per the below table:
<table>
<tr><th>Instruments</th><th colspan="2">Indicative Allocation (% of assets)</th></tr>
<tr><th></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related Securities^ of which</td><td>45</td><td>65</td></tr>
<tr><td>(i) Equity and Equity related securities (unhedged)*</td><td>40</td><td>60</td></tr>
<tr><td>(ii) Equities, equity related securities and derivatives including index futures, stock futures, index options, & stock options, etc. as part of hedged / arbitrage exposure (hedged)*</td><td>0</td><td>5</td></tr>
<tr><td>Debt and Money Market Securities^</td><td>35</td><td>55</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>0</td><td>10</td></tr>
</table>
*Equity allocation is measured as the Gross exposure to equities, equity related instruments and derivatives. The Scheme will enter into derivatives transactions for hedging and/or portfolio balancing. The derivative positions will be hedged against corresponding positions in either equity or derivative markets depending on the strategies involved and execution costs. On the total portfolio level the scheme does not intend to take a net short exposure to equity markets. Unhedged positions in the portfolio (investments in equity shares without corresponding exposure to equity derivative) shall not exceed 60% of the net assets.
^The Scheme may also use derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. The Scheme may also use fixed income derivative instruments subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time.
Subject to the Regulations and applicable regulatory guidelines as may be issued from time to time, the Scheme may also engage in Securities Lending and Borrowing Obligations not exceeding 20% of the net assets of the Scheme.
The Scheme shall not invest in securitised debt, credit default swaps and repos in corporate bonds. The Scheme does not propose to invest in foreign securities.
The cumulative gross exposure through investments in equity and equity related securities, debt securities, money market instruments, units issued by REITs & InvITs and exposure in derivatives' positions shall not exceed 100% of the net assets of the Scheme.</td></tr>
<tr><td>5.</td><td>Scheme Specific Risk Factors#</td><td>–</td><td>Following shall be added under the section 'Scheme Specific Risk Factors':
Risk associated with Securities Lending
Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.
If the Scheme undertakes stock lending under the regulations, it may be exposed to the risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.
Risks associated with Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (InvIT)
1. Risk of lower than expected distributions: The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/INVIT receives as dividends or the interest and principal payments from portfolio assets. The cash flows generated by portfolio assets from operations may fluctuate based on, among other things:
• success and economic viability of tenants and off-takers
• economic cycles and risks inherent in the business which may negatively impact
• valuations, returns and profitability of portfolio assets
• force majeure events related such as earthquakes, floods etc. rendering the portfolio assets inoperable
• debt service requirements and other liabilities of the portfolio assets
• fluctuations in the working capital needs of the portfolio assets
• ability of portfolio assets to borrow funds and access capital markets
• changes in applicable laws and regulations, which may restrict the payment of dividends by portfolio assets
• amount and timing of capital expenditures on portfolio assets
• insurance policies may not provide adequate protection against various risks associated with operations of the REIT/InvIT such as fire, natural disasters, accidents.
• taxation and other regulatory factors
2. Price-Risk: The valuation of the REIT/InvIT units may fluctuate based on economic conditions, fluctuations in markets (eg. real estate) in which the REIT/InvIT operates and the resulting impact on the value of the portfolio of assets, regulatory changes, force majeure events etc. REITs & InvITs may have volatile cash flows. As an indirect shareholder of portfolio assets, unit holders rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the portfolio assets.
3. Interest-Rate Risk: Generally, there would be inverse relationship between the interest rates and the price of units i.e. when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
4. Liquidity Risk: This refers to the ease with which REIT/InvIT units can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.</td></tr>
<tr><td>6.</td><td>Definitions#</td><td>–</td><td>Following shall be added under the section 'Definitions':
"InvIT" or "Infrastructure Investment Trust" - "InvIT" or "Infrastructure Investment Trust" shall mean trust registered as such under SEBI (Infrastructure Investment Trusts) Regulations, 2014
"REIT" or "Real Estate Investment Trust" – "REIT" or "Real Estate Investment Trust" shall mean a trust as such registered under SEBI (Real Estate Investment Trusts) Regulations, 2014.</td></tr>
<tr><td>7.</td><td>Where will the Scheme invest?#</td><td>–</td><td>Following shall be added under the section 'Where will the Scheme Invest?':
Investment in Units issued by REITs & InvITs - The Scheme may invest in the units issued by REITs & InvITs subject to requirements specified under SEBI (MF) Regulations.</td></tr>
<tr><td>8.</td><td>What are the investment restrictions?#</td><td>–</td><td>Following shall be added under the section 'What are the investment restrictions?':
1. The Mutual Fund under all its schemes shall not invest more than 10% of units issued by a single issuer of REITs and InvITs.
2. The Scheme shall not invest:
• more than 10% of its NAV in the units of REITs and InvITs; and
• more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer</td></tr>
</table>

#All other terms and conditions under these sections in the existing SID of the Scheme which are not mentioned herein will remain unchanged.

Securities and Exchange Board of India has vide its letter no. IMD/DF3/OW/P/2017/32070/1 dated December 18, 2017 conveyed it's no objection to the aforesaid changes in fundamental attributes of the Scheme.

Revision to the features of the Scheme as indicated above will be applicable to all the relevant sections of the Scheme Information Document and Key Information Memorandum of the Scheme and the respective sections shall stand modified accordingly. Unitholders may note that other than those set forth above, the remaining features, terms and conditions of the Scheme shall continue to remain unchanged.

Since some of these changes would result in change in fundamental attributes of the Scheme, a separate communication in this regard is being sent to the existing unitholders of the Scheme, as required by Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996. In case the communication is not received by existing unitholders, they are advised to contact any of the Investor Service Centers of the Fund.

Existing unitholders (i.e. unitholders of the Scheme as per the records of our Registrar & Transfer Agent as at the close of business hours on **December 22, 2017**) who are not in agreement with the aforesaid changes may opt to redeem their units or switch to other available / eligible schemes of the Fund at the prevailing Net Asset Value (NAV) without payment of exit load between **December 29, 2017** and **January 29, 2018** (both days inclusive and upto 3.00 p.m. on **January 29, 2018**) ("the Notice Period"). The NAV applicable, should the unitholders choose to exit / redeem / switch during the Notice Period, would be based on the date/time of receipt of the application for exit / redemption / switch-out during business hours on a business day. It may however be noted that all such requests for exit option received after cut-off time on **January 29, 2018**, shall be subject to the applicable exit load, in terms of the relevant details, as specified in the SID / KIM of the Scheme. Redemption / switch-out requests, if any, may be lodged at any of the Official Points of Acceptance of the Fund. The redemption proceeds shall be dispatched within 10 business days from the date of acceptance of redemption request.

Unitholders may note that no action is required in case they are in agreement with the aforesaid changes, which shall be deemed as acceptance of these changes. This offer to exit is merely an option and not mandatory. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure an effective release of their pledges / encumbrances prior to the submission of redemption/switch requests.

Unitholders are requested to ensure that any change in address or bank mandate is updated in the Fund's records before exercising the exit option (Unitholders holding units in dematerialized form may approach their Depository Participant for such changes). Redemption/switch-out by the unitholders due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. In view of the individual nature of tax consequences, unitholders are advised to consult their professional tax advisors in the above regard.

The revision in the features of the Scheme, as detailed herein shall be effective from **January 30, 2018** [i.e. the business day immediately following January 29, 2018 (i.e. last day of the Notice Period)].

For any clarifications, please do contact us on our toll free number 18004196244 or speak to any of our Customer Service representatives. Alternatively, you can also email us at mfinvestors@mahindra.com.

Place: Mumbai
Date: December 22, 2017

For Mahindra Asset Management Company Private Limited
Sd/-
Authorised Signatory

CNo.00272