

**INDIABULLS MUTUAL FUND (IBMF)**

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CIN: U65991DL2008PLC176627

**Notice cum Addendum No. 20/ 2018**

**NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF INDIABULLS BLUE CHIP FUND**

**CHANGE IN FUNDAMENTAL ATTRIBUTES**

This is to inform that Securities & Exchange Board of India (SEBI) has mandated all Mutual Funds to Categorize and Rationalize their schemes based on the directions provided vide SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 and SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 04, 2017. SEBI has initiated these steps in order to bring uniformity in the practice, across Mutual Funds and to standardize the scheme categories and characteristics of each category. This would ensure that an investor of Mutual Funds is able to evaluate the different options available, before taking an informed decision to invest in a scheme. In this respect, following notice is given.

**NOTICE** is hereby given to the Unit holders of **Indiabulls Blue Chip Fund (“IBCF”)**, an Open-ended Equity Scheme, that the Board of Directors of Indiabulls Asset Management Company Limited (“**the AMC**”) and the Board of Directors of Indiabulls Trustee Company Limited (“**the Trustee Company**”), have approved the following changes which include changes to the fundamental attributes of IBCF with effect from **February 15, 2018 (“Effective Date”)**. Further, it may be noted that SEBI has vide letter no. IMD/DF3/OW/P/2018/195/1 dated January 3, 2018 granted its no-objection for the following changes.

<b>Type of Scheme</b> ^	Existing Scheme Type	Proposed Scheme Type	
	An Open- ended Equity Scheme	Large Cap Fund - An open ended equity scheme predominantly investing in large cap stocks	
<b>Asset Allocation of the Scheme</b> ^	<b>Instruments</b>	<b>Existing Indicative allocation</b>	<b>New Indicative allocation</b>
	Equity and equity related securities - Large-Cap Companies*	65% to 100%	80% to 100%
	Equity and equity related securities - Other Companies*	0% to 35%	0% to 20%
	Debt & Money market securities/ instruments	0% to 35%	0% to 20%
*The Scheme may invest upto a maximum of 50% of its net assets in Derivatives			
<b>Scheme Investment Strategy</b>	<b>Existing Investment Strategy</b>	<b>New Investment Strategy</b>	
	Under normal market conditions, the Scheme would invest predominantly in a diversified portfolio constituting equity and equity related instruments of companies that the Fund Manager believes have sustainable business models, and potential for capital appreciation. The corpus of the Scheme will be invested predominantly in blue chip – large cap stocks and / or in exchange traded derivatives on the S&P CNX Nifty Index or such blue chip stocks. 0-35% of the net assets will be invested in securities other than blue chip large caps. A very small portion of the fund will be kept liquid. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders’ interest. A Blue-chip company is a company with a significant market share in its product segment and/or has consistent track record in terms of profitability. For the purposes of this scheme, a Blue Chip Large Cap Company is a Company with a market capitalization higher than the market capitalization of 101st company in BSE 500 index, arranged in descending order of market cap. The investment environment, valuation parameters and other investment criteria will determine the allocation and the investment style. The Fund Manager would follow a top down approach to shortlist stocks for portfolio construction. Under the top down process the Fund Manager would look at the global and Indian economy and the domestic policy environment and stock valuations. This would result in identification of themes which have a potential to outperform. The final stock selection process would be a bottoms-up process wherein stocks from the short listed themes would be picked up based on valuations. Under normal market conditions and depending on the Fund Manager’s views, the assets of the Scheme would be invested across stocks that represent a broad range of sectors of the economy in order to ensure adequate portfolio diversification.	Under normal market conditions, the Scheme would invest predominantly in a diversified portfolio constituting equity and equity related instruments of companies that the Fund Manager believes have sustainable business models, and potential for capital appreciation. The corpus of the Scheme will be invested predominantly in blue chip – large cap stocks and / or in exchange traded derivatives on the S&P CNX Nifty Index or such blue chip stocks. 0-20% of the net assets will be invested in securities other than blue chip large caps. A very small portion of the fund will be kept liquid. The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders’ interest. Large Cap companies shall consist of investment universe which are within 1st-100th company in terms of full market capitalization. The fund shall adopt the list of stocks prepared by AMFI based on SEBI defined parameters. AMFI is mandated to update such list once in 6 months. The fund shall rebalance the portfolio (if required) in line with updated list, within a period of one month. The investment environment, valuation parameters and other investment criteria will determine the allocation and the investment style. The Fund Manager would follow a top down approach to shortlist stocks for portfolio construction. Under the top down process the Fund Manager would look at the global and Indian economy and the domestic policy environment and stock valuations. This would result in identification of themes which have a potential to outperform. The final stock selection process would be a bottoms-up process wherein stocks from the short listed themes would be picked up based on valuations. Under normal market conditions and depending on the Fund Manager’s views, the assets of the Scheme would be invested across stocks that represent a broad range of sectors of the economy in order to ensure adequate portfolio diversification.	

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

The proposed change includes the change in the asset allocation pattern of the Scheme and Scheme Investment Strategy, which is in the nature of change in the fundamental attributes of the Scheme as referred to in Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996. As per aforementioned circular, the change in ‘Type of Scheme’ would not be considered as a change in fundamental attribute.

Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 states that the Trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affect the interest of unitholders be carried out unless a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and the unitholders are given an option to exit at the prevailing Net Asset Value (NAV) without any exit load.

Accordingly, Unit holders of IBCF are requested to take note of the aforesaid proposed changes, and are hereby given an option to exit the investments made by them in IBCF at the prevailing NAV without exit load, as per the process stated herein below, if they do not wish to stay invested in IBCF pursuant to the above proposed changes.

The exit option will be available to all the Unit holders of the IBCF\*\* as per the records of the Registrar as at the close of business hours on January 12, 2018. **The option to exit without exit load (“Exit Option”) can be exercised from January 15, 2018 to February 14, 2018 (up to 3 p.m.) (both days inclusive) (“Exit Option Period”).** All redemption requests received after 3 p.m. on **February 14, 2018**, will be subject to load as per the provisions of the SID of IBCF. The provisions in relation to prevailing NAV and cut-off timings for redemptions in the SID of IBCF would be applicable to redemption requests received during the Exit Option Period. The redemption proceeds shall be dispatched to the Unit holders within 10 working days from the date of redemption.

**The offer to exit is merely an option and is not mandatory. If you have no objection to the proposed change in the fundamental attributes of IBCF as stated above, no action needs to be taken by you.**

Please note that Unit holders who do not opt for redemption on or before **February 14, 2018** (up to 3 p.m.) shall be deemed to have consented to the aforesaid changes and shall continue to hold units in IBCF. In case the Unit holders disagree with the aforesaid changes, they may redeem the units in IBCF by exercising the Exit Option within the Exit Option Period.

**\*\*It may be noted that the Exit Option is not available** to investors whose units have been **pledged**, and Indiabulls Mutual Fund has been instructed to mark a lien on such units unless the release of the pledge/lien is obtained and appropriately communicated to the AMC/Registrar/Indiabulls Mutual Fund prior to submission of redemption requests.

**The existing unit holders of IBCF are requested to note the following terms with regards to the aforesaid proposed changes:**

- **Investors who want to continue holding units in IBCF:** No action needs to be taken in this regard.
- **Investors who wish to exit/redeem their investments from IBCF:** To redeem, Unit holders may submit the Transaction Form [along with other requisite details as may be specified in the SID/Statement of Additional Information (SAI)] on any business day during the Exit Option Period to any of the Official Points of Acceptance of Indiabulls Mutual Fund. The forms are available on our website www.indiabullsamc.com and also at any of the Official Points of Acceptance of Indiabulls Mutual Fund. For the procedure for change /update of bank details and change of address please refer to SID and SAI. **Unitholders who hold units of IBCF in dematerialised form and wish to exit can submit the redemption request with his / her /its Depository Participant during the Exit Option Period.**
- **Unitholders who have pledged or encumbered their units under a lien:** Unitholders will not have the option to exit unless they procure an effective release of their lien/pledge/encumbrances prior to the submission of redemption/switch-out requests. Further, those unitholders who do not opt to exit during the exit option period may note that the lien/pledge/encumbrance will continue on IBCF on the same terms.
- **Special products features / facilities:** Systematic Transfer Plan (STP) / Systematic Withdrawal Plan (SWP) etc. registered under IBCF will remain applicable and continue as per the terms therein. However, if you intend to change /discontinue any of the above facilities kindly submit the request in the manner prescribed in the SID/SAI to the nearest Official Points of Acceptance of Indiabulls Mutual Fund prior to the Effective Date.

Unit holders are requested to ensure that any change in address or bank mandate is updated in Indiabulls Mutual Fund’s records before exercising the Exit Option (Unit holders holding units in dematerialized form may approach their Depository Participant for such changes).

It may be further noted that all redemptions would be subject to the applicable tax laws. **In view of the individual nature of tax consequences, Unit holders are advised to consult their professional tax advisors in the above regard.**

A separate communication in this regard would be sent to the registered address of the Unit holders of IBCF as on **January 12, 2018**. In case, the communication is not received, the Unit holders of IBCF can contact the Investor Service Centres of the AMC/Registrar/Indiabulls Mutual Fund as per details provided on the website www.Indiabullsamc.com.

In case you need any further clarifications, please contact our Customer Service Centers/ Investor Service Centers. It may be noted that necessary/ incidental changes in this regard shall be made in the SID and KIM of IBCF.

The SID and KIM of IBCF will stand suitably modified to the extent mentioned above from the Effective Date. This addendum forms an integral part of the SID and KIM of IBCF. All other terms and conditions as mentioned in the SID and KIM of IBCF shall remain unchanged.

**For Indiabulls Asset Management Company Limited**  
**(Investment Manager for Indiabulls Mutual Fund)**

Sd/-

**Uday Diwale**  
Compliance Officer

Place : Mumbai  
Date : January 10, 2018