NOTICE

HDFC Children's Gift Fund (hereinafter referred to as the “Scheme”) Change in the terms of Personal Accident Insurance Cover

NOTICE is hereby given that HDFC Trustee Company Limited, the Trustee to HDFC Mutual Fund has decided to change the terms of the cover under Group Personal Accident Insurance Policy (hereinafter referred to as the “Policy”) offered under the Scheme as given below:

(i) The Parent/ Legal Guardian of the Unit holder (hereinafter referred to as the ‘beneficiary child’) will be covered under the Policy obtained from The New India Assurance Company Limited for all subscriptions received (including bonus Units / Units allotted on dividend reinvestment, if any, etc. but excluding ongoing SIP instalments falling due on or after August 1, 2009 unless otherwise intimated by the Unit holder to avail the terms of the new Policy) effective August 1, 2009.

(ii) The Parent/ Legal Guardian (Resident/ Non-Resident) of a Unit holder named in the Application Form will be covered up to the age of 80 years (subject to conditions of the Policy) under the group personal accident insurance cover for death by accident or permanent total disability or permanent partial disability sustained due to accident.

(iii) The Policy, covering the Parent/ Legal Guardian (upto the age of 80 years) of the Unit holder (named in the Application form) will commence from the date of allotment of Units till the Unit holder attains 18 years of age or till such date as the Units are redeemed in accordance with the terms and conditions stated in the Scheme Information Document, whichever is earlier. In the case of an accident resulting in death or permanent total disability of the Parent/ Non-Resident Parent/ Legal Guardian of the Unit holder, the legal representative of the Unit holder may file the claim directly with the designated branch of The New India Assurance Company Limited supported by all the necessary documents. The claim shall be made in favour of the Unit holder. In the case of an accident resulting in permanent partial disablement of the insured i.e. the Parent / Legal Guardian, the payment of the claim shall be made to the insured, the sum or sums as set forth in the Policy.

(iv) The Capital Sum Insured under this personal accident insurance cover will be equivalent to 10 times of the cost value of the outstanding Units (including bonus Units / Units allotted on dividend reinvestment, if any, etc. but excluding ongoing SIP instalments falling due on or after August 1, 2009 unless otherwise intimated by the Unit holder to avail the terms of the new Policy) held by the Unit holder (i.e. Units allotted on or after August 1, 2009 at the continuous offer / NAV based price Less Units Redeemed), under all the applications / account statements / folios subject to a maximum amount of Rs. 10 lakhs per Unit holder. The compensation payable to each Unit holder/Insured under the Policy shall not carry any interest.

(v) The Unit holders (through their Parent/ Legal Guardian) covered under the existing Personal Accident Insurance Cover will be given an option to opt for the revised Personal Accident Insurance Cover. A separate communication in this regard will be addressed to the Unit holders for exercising their option.

(vi) The Unit holders (through their Parent/ Legal Guardian) not exercising the option as mentioned in point (v) above shall continue to be covered under the existing Personal Accident Insurance Cover.

Detailed information regarding the Revision of Personal Accident Insurance Cover has been provided in the Addendum uploaded on HDFC Mutual Fund website i.e. www.hdfcfd.com

HDFC Asset Management Company Limited A Joint Venture with Standard Life Investments Limited

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Place: Mumbai
Date : July 17, 2009

Chief Compliance Officer

Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme’s objectives will be achieved and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. There is no assurance or guarantee to Unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Scheme are not being offered any guaranteed /assured returns. The NAV of the units issued under the Scheme may be affected, inter alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk. HDFC Children’s Gift Fund (an open-ended balanced scheme; the objective of both the Plans under the Scheme is to generate long term capital appreciation) is only a part of the Scheme and does not intend to replicate the performance of the quality of the Scheme, its future prospects and returns. In view of the individual nature of tax consequences, each investor is advised to consult his/her professional tax advisor. Please read the Scheme Information Document and Statement of Additional Information before investing. Statutory/Details: HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of Rs. 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager. Total Cost: 1,191/-