

RE-INVESTMENT OF DIVIDEND BELOW THE THRESHOLD AMOUNT

Taurus Investment Trust Co. Ltd, the Trustee to Taurus Mutual Fund has decided that, if the dividend amount payable to the Unitholders under the Dividend Payout Option of the aforesaid Schemes/ Plans, is less than the threshold limit of ₹ 250, then such dividend amount will be compulsorily & automatically reinvested in the respective Schemes/Plans with effect from February 1, 2011 ("Effective Date").

From the Effective Date, the dividend distributed (net of tax deducted at source, wherever applicable) for an amount equal to or less than the threshold limit will be reinvested in the Scheme/Plan by issuing additional Units of the Scheme at the prevailing ex-dividend Net Asset Value on the record date. There shall be no Exit Load on the dividend so reinvested.

The dividends so reinvested shall constitute a constructive payment of dividends to the Unit Holders and a constructive receipt of the same amount from each Unit holder for reinvestment in Units.

The aforesaid provisions shall be applicable on a prospective basis from the Effective Date in respect of dividend payouts in the below mentioned Schemes/Plans.

All other terms and conditions of the Scheme Information Document(s) Key Information Memorandum(s) will remain unchanged.

This addendum shall form an integral part of the scheme information document(s) Key Information Memorandum(s) of the below mentioned Scheme(s) of Taurus Mutual Fund as amended from time to time.

Taurus Starshare

An open-ended equity scheme with a focus on multi cap stocks
Investment Objective : The basic objective of the Scheme is to provide long-term capital appreciation. Emphasis will be on sharing growth through appreciation as well as on distribution of income by way of dividend.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 85% to 100%, Debt Instruments: 0% to 15%, Money Market & other Assets: 0% to 10%.

Taurus Bonanza Fund

An open-ended equity scheme with a large cap focus.

Investment Objective : Taurus Bonanza Fund is an open-ended growth scheme. The investment objective is to provide investors long-term capital appreciation. Investments shall be primarily in Equity and Equity related instruments that offer scope for long-term capital appreciation. The Fund will also be invested in debt and money market instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): NIL

(Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 70% to 100%, Debt Instruments: 0% to 10%, Money Market & other Assets: 0% to 25%.

Taurus Discovery Fund

An open-ended equity scheme with a mid and small cap focus

Investment Objective : The primary objective of the Scheme is to identify and select low priced stocks through price discovery mechanism, which would broadly include: • To capitalise on available opportunity on growth potential offered by undervalued penny stocks. • Such stocks being low priced and if dividend paying, decent dividend yield will give desired cushion in the volatile capital market. • Lower side risk is minimum in such investments. • Many of such cases where investment will be made, may be turnaround cases, therefore, greater potential for improvement in NAV.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 75% to 100%, Debt Securities (including securitised debt): 0% to 20%, Money Market & other Assets: 0% to 20%.

Taurus Ethical Fund

An open-ended equity scheme

Investment Objective: To provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 80% to 100%, Money Market Instruments: 0% to 20%.

Place: Mumbai

Date: January 28, 2011

Statutory Details: Taurus Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882. **Sponsor:** HB Portfolio Ltd. **Trustee:** Taurus Investment Trust Company Ltd., **Investment Manager:** Taurus Asset Management Company Ltd. **Risk Factors:** All investments in mutual funds and securities are subject to market risks and the NAV of the scheme may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that the scheme's investment objectives will be achieved. The past performance of the mutual fund is not indicative of the future performance of the schemes. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of ₹ 2 Lacs made towards setting up of the mutual fund. **Taurus Starshare, Taurus Bonanza Fund, Taurus Discovery Fund, Taurus Ethical Fund, Taurus Infrastructure Fund, Taurus Nifty Index Fund, Taurus Short Term Income Fund, Taurus Liquid Fund and Taurus Gift Fund are only the name of the scheme and does not in any manner indicate the quality of the scheme, its future prospects and returns. There is no guarantee or assurance as to any returns on investments of the unit holders.** All dividend distributions are subject to the investment performance of the scheme. The investment made by the scheme is subject to external risks on transferring, pricing, trading volumes, settlement risks etc of securities. **Please read the Scheme Information Document/ Statement of Additional Information/Key Information Memorandum carefully before investing.**

Taurus Infrastructure Fund

An open-ended equity thematic scheme

Investment Objective: To provide capital appreciation and income distribution to unitholders by investing pre-dominantly in equity and equity related securities of the companies belonging to infrastructure sector, it's related industries inclusive of suppliers of capital goods, raw materials and other supportive services to infrastructure companies and balance in debt and money market instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 year, (Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as mentioned above, Equity to ELSS-Relevant exit load applicable as mentioned above.)

Asset allocation: Equity & Equity Related Instruments: 70% to 100%, Debt & Money Market Instruments: 0% to 30%.

Taurus Nifty Index Fund

An open-ended index linked equity scheme

Investment Objective: The investment objective of the scheme is to replicate the S&P CNX Nifty Index by investing in securities of the CNX Nifty Index in the same proportion/ weightage.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): NA, (Switch: Exit Load - NIL)

Asset allocation: Securities Covered by Nifty: 95% to 100%, Debt & Money Market Instruments: 0% to 5%.

Taurus Short Term Income Fund

An open-end bond scheme

Investment Objective: To generate income and capital appreciation with low volatility by investing in a diversified portfolio of short term debt and money market instruments.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 0.25% if exited before 1 month • Nil if exited after 1 month, (Switch: Debt to debt/Equity - relevant exit load applicable as mentioned above.)

Asset allocation: Money Market Instruments: 65% to 100%, Debt Instruments maturing within 1 year: 0% to 30%, Debt Instruments with maturity between 1 to 3 years: 0% to 15%.

Taurus Liquid Fund (Retail Plan)

An open-end liquid scheme

Investment Objective: To generate steady and reasonable income, with low risk and high level of liquidity from a portfolio of money market securities and high quality debt.

Load Structure: Entry Load - NIL, Exit Load - NIL, (Switch: Exit Load NIL.)

Asset allocation: CBLO/repo/ reverse repo: 0% to 100%, Money Market Instruments (Mibor Linked Instruments, T-Bills, CPs, CDs) and/or other short term debt instruments (Floating Rate Notes, Short Tenor NCDs, PTCs and/ or Less than 1 year maturity G-Secs 0% to 100%.

Taurus Gift Fund

An open-end gilt scheme

Investment Objective: To provide risk free returns to the investors even for a shorter duration through investment in securities issued by Central Government or State Government or any security unconditionally guaranteed by Government of India. Investment will also be made in repos and reverse repos.

Load Structure: Entry Load - NIL, Exit Load - Up to any amount (Including SIP application): • 1% if exited before 1 year • Nil if exited after 1 month, (Switch: Debt to debt/Equity - relevant exit load applicable as mentioned above.)

Asset allocation: Government of India dated Securities & Treasury Bills: 50% to 100%, State Government dated securities: 0% to 25%, Money Market Instruments like CBLO/repos/ reverse repo or any other instruments provided by RBI in future: 0% to 100%.

For Taurus Asset Management Company Ltd.

Authorised Signatory

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