

ADDENDUM



Notice cum Addendum to the Scheme Information Document & Key Information Memorandum of the schemes of Taurus Mutual Fund.

1) Introduction of Dividend Re-investment Option in Taurus Short Term Income Fund and Taurus Gilt Fund

Notice is hereby given to the unitholders of Taurus Short Term Income Fund and Taurus Gilt Fund that the Board of Trustees of Taurus Mutual Fund have approved to introduce Dividend Re-investment Option under Dividend Plan of both the schemes w.e.f. August 20, 2010.

2) Introduction of monthly Dividend and declaration of Dividend under Dividend Plan of Taurus Short Term Income Fund

Notice is hereby given that the Board of Trustees of Taurus Mutual Fund have approved the distribution of 100% distributable profits computed in accordance with SEBI (Mutual Funds) Regulations, 1996, over and above the base NAV of 1525.7786, (Face Value of Rs 1000/- per unit), as dividend on monthly basis in dividend plan of Taurus Short Term Income Fund to those unitholders whose names stand registered in the register of unitholders as on the notified record date, which will be the 3rd Friday of every month or immediately following Business Day, if that day (i.e. 3rd Friday of every month) is not a Business Day w.e.f. August 20, 2010

Accordingly, the dividend for the month of August, 2010 would be as follows:

Name of the Scheme / Plan	Amount of Dividend (Rs.)*	Face Value	Record Date	NAV as on 13.08.2010
Taurus Short Term Income Fund - Dividend Plan	100% of distributable surplus as on the Record Date over and above the base NAV of 1525.7786	Rs. 1000/- per unit	20.08.2010	1531.7474

*As reduced by the amount of applicable statutory levy

Pursuant to the payment of dividend, the NAV of the Scheme will fall to the extent of payout, and statutory levy, if any. The above dividend will be subject to the availability of distributable surplus in the dividend plan of the Scheme on the record date.

All unitholders under the Dividend Plan of the above mentioned Scheme, whose names appear on the register of unitholders on the aforesaid record date, will be entitled to receive the dividend.

This addendum with regard to declaration of monthly dividend as aforesaid can be treated as one time notice for all future declaration of dividends in Taurus Short Term Income Fund.

Trustees, however, reserve the right to change the basis of dividend/stop declaration of such dividend in future at any time by issue of addendum.

Place: **Mumbai**
Date: **August 16, 2010.**

For **Taurus Asset Management Company Ltd.**
Authorised Signatory

Statutory Details: Taurus Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882. **Sponsor:** HB Portfolio Limited **Trustee:** Taurus Investment Trust Company Limited **Investment Manager:** Taurus Asset Management Company Limited

Scheme Nature & Objective: Taurus Short Term Income Fund is an open - end bond scheme. Scheme is to generate income and capital appreciation with low volatility by investing in a diversified portfolio of short term debt and money market instruments.

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

Load Structure:

Entry Load - NIL, Exit Load: Upto any amount (Including SIP application): 0.25% if exited before 1 month & NIL if exited after 1 month
Switch: Debt to Debt/ Equity : Exit load as per above mentioned

Scheme Nature & Objective: Taurus Gilt Fund is an open-end gilt scheme. Scheme is 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.

Asset Allocation: Government of India dated Securities & Treasury Bills: 50% - 100%, State Government dated Securities: 0%-25%, Money Market Instruments like CBLO/repos/reverse repo or any other instruments provided by RBI in future Other Asset: 0%-30%

Load Structure:

Entry Load - NIL, Exit Load: Upto any amount (Including SIP application): 1% if exited before 1 year & NIL if exited after 1 year
Switch: Debt to Debt/ Equity : Exit load as per above mentioned

Application Form: Key Information Memorandum cum Application Form is available with the offices of the Fund, designated points of transactions of Karvy Computershares Pvt. Ltd, R&T Agents. Forms can also be downloaded from the website of the Fund.

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 objective will be achieved. The past performance of the Mutual Fund is not indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from operation of the Scheme beyond the initial contribution of Rs.2 Lacs made towards setting up the Mutual Fund. Taurus Short Term Income Fund & Taurus Gilt Fund are only the name of the Schemes and does not in any manner indicate the quality of the Scheme or its future prospects or returns. There is no guarantee or assurance as to any return on investment of the unitholders. The investments made by the Scheme are subject to external risk on transfers, pricing, trading volumes, settlement risks, etc. of securities. **Please refer to the Scheme Information Document/Statement of Additional Information and Key Information Memorandum carefully before investing.**

TAURUS ASSET MANAGEMENT COMPANY LIMITED

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