



QLF - ADDENDUM 1

The Board of Directors of Quantum Trustee Company Private Limited has approved following changes in Quantum Liquid Fund (QLF scheme) in its meeting held on August 28, 2006. This addendum is prepared to bring to the notice of unitholders, prospective and existing, regarding changes as mentioned below. The changes are applicable prospectively with effect from September 15, 2006:

EXISTING PROVISIONS	REVISED PROVISIONS
Dividend Distribution Tax – Page No. 73 of existing Offer Document	
<p>Effective from 9 July 2004, income distribution, if any, made by the Mutual Fund will attract distribution tax under Section 115R of the Act, calculated at the rate of 13.06875 per cent (inclusive of surcharge on income-tax at 2.5 per cent and an additional surcharge by way of education cess at the rate of 2 per cent on the amount of tax inclusive of surcharge) in case income is distributed to individuals and Hindu Undivided Families (HUFs), and calculated at the rate of 20.91 per cent (inclusive of surcharge on income-tax at 2.5 per cent and an additional surcharge by way of education cess at the rate of 2 per cent on the amount of tax inclusive of surcharge as per the Act) in case income is distributed to persons other than individuals and HUFs.</p>	<p>Effective from 9 July 2004, income distribution, if any, made by the Mutual Fund will attract distribution tax under Section 115R of the Act which is currently calculated at the rate of 14.025 per cent (inclusive of surcharge on income-tax at 10 per cent and an additional surcharge by way of education cess at the rate of 2 per cent on the amount of tax inclusive of surcharge) in case of income distributed to individuals and Hindu Undivided Families (HUFs), and calculated at the rate of 20.91 per cent (inclusive of surcharge on income-tax at 2.5 per cent and an additional surcharge by way of education cess at the rate of 2 per cent on the amount of tax inclusive of surcharge as per the Act) in case of income distributed to persons other than individuals and HUFs.”</p>



Dividends and Distributions – Page No. 55 of existing Offer Document

The Trustees propose to follow the following Dividend distribution policy:

Dividends, if declared, will be paid out of the net surplus of the Scheme/Plan to those Unitholders whose names appear in the Register of Unitholders on the record date. Declaration of Dividend is subject to the availability of distributable surplus. It must be distinctly understood that the actual declaration of Dividends under the Scheme will, inter-alia, depend upon the distributable surplus of the Scheme. There is no assurance or guarantee to Unitholders as to the rate of Dividend distribution nor that Dividend will be regularly paid. Unitholders are entitled to receive Dividend within 30 days of the date of declaration of the Dividend. However, the Mutual Fund will endeavour to make Dividend payments within 3 (three) business days of the date of declaration.

The Trustees propose to follow the following dividend distribution policy:

Dividends, if declared, will be paid out of the net surplus of the Scheme/Plan to those Unitholders whose names appear in the Register of Unitholders on the record date which shall be the 25th of every month or the next business day if the 25th of the month is not a business day. Declaration of dividend is subject to the availability of distributable surplus. It must be distinctly understood that the actual declaration of dividends under the Scheme will, inter-alia, depend upon the distributable surplus of the Scheme. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that dividend will be regularly paid. The dividend that may be paid out of the net surplus of the Scheme will be paid only to those Unitholders whose names appear in the register of Unitholders on the aforesaid record date. Unitholders are entitled to receive dividend within 30 days of the date of declaration of the dividend. However, the Mutual Fund will endeavour to make dividend payments sooner to Unitholders. On distribution of dividends, the NAV will stand reduced by the amount of dividend distributed and statutory levy, if any, at the close of business hours on record date.”

For Quantum Asset Management Company Private Limited
(Investment Manager – Quantum Mutual Fund)
Sd/-
Arjun Marphatia
CEO