

NOTICE

Notice is hereby given to inform all investors that the following changes have been effected in the Statement of Additional Information, Scheme Information Documents ("SID") and Key Information Memoranda (hereinafter collectively referred to as "Documents") of Baroda Pioneer Mutual Fund ("Fund") to give effect to the requirements of SEBI circular CIR/IMD/DF/21/2012 dated September 13, 2012 and the SEBI (Mutual Funds) (Second Amendment) Regulations, 2012, notified on September 26, 2012.

All the changes mentioned in this Notice shall be effective from October 01, 2012, unless otherwise expressly mentioned.

(A) Total Expense Ratio (TER):

- As SEBI has permitted fungibility of expenses, the proportion of TER allocated to investment management and advisory fees vis-à-vis other expenses will change so as to give effect to the fungibility. However, this change in allocation inter-se will be within the total TER mentioned in the relevant SID, and this TER for each Scheme remains unchanged.
- Out of the above TER, Baroda Pioneer Asset Management Company Limited ("AMC") will annually set apart, for investor education and awareness initiatives, at least 0.02% on the daily net assets of each Scheme.
- In addition to the TER, the following costs or expenses may be charged to each Scheme:
 - brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12% in case of cash market transactions and 0.05% in case of derivatives transactions,
 - expenses not exceeding of 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least (i) 30% of gross new inflows in the scheme, or (ii) 15% of the average assets under management (year to date) of the scheme, whichever is higher. Provided that if inflows from such cities are less than the higher of (i) or (ii) above, such expenses on the daily net assets of the Scheme shall be charged on a proportionate basis. Provided further that the expenses charged under this provision shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that the amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.
 - additional expenses, incurred towards different heads, not exceeding 0.20% of the daily net assets of the Scheme.
- Service tax on investment and advisory fees may be charged to the Schemes in addition to the maximum limit of TER. Service tax on expenses other than investment and advisory fees, if any, shall be borne by the Schemes within the maximum limit of TER. Service tax on brokerage and transaction costs paid for asset purchases, if any, shall be within the limit of 0.12%/0.05% mentioned in (a) above.

(B) Exit Load:

Exit loads (net of service tax) charged under any Scheme of the Fund shall be credited to the Scheme.

(C) Single Plan Structure:

In Baroda Pioneer Liquid Fund and Baroda Pioneer Treasury Advantage Fund, each of which has a Regular Plan and an Institutional Plan, fresh subscriptions will be accepted only under the Institutional Plan. The subscription amount/minimum application amount will be ₹ 5,000/- and multiples of ₹ 1/- for first time purchase, and ₹ 1,000/- and multiples of ₹ 1/- for additional purchase. Accordingly, Baroda Pioneer Liquid Fund - Institutional Plan and Baroda Pioneer Treasury Advantage Fund - Institutional Plan will be referred to as Baroda Pioneer Liquid Fund and Baroda Pioneer Treasury Advantage Fund respectively. The Regular Plan in each of these Schemes will continue till the existing investors remain invested in the Plan.

(D) Harmonizing Applicability of NAV Across Schemes:

For purchase of units in the Schemes of the Fund (other than Baroda Pioneer Liquid Fund) - (a) in respect of valid applications for amounts equal to or more than ₹ 2 lakh, units shall be allotted based on the NAV of the day on which the funds are realized up to 3.00 p.m., subject to the transaction being time-stamped appropriately; (b) in respect of all valid applications for amounts less than ₹ 2 lakh, allotment of units will be based on the NAV as per the time stamp.

(E) Cash Investments:

In order to help enhance the reach of the Schemes of the Fund amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, cash transactions in the Schemes to the extent of ₹ 20,000/- per investor, per mutual fund, per financial year will be allowed, subject to (i) compliance of PMLA and Rules framed there under, SEBI circulars on AML and other applicable AML rules, regulations and guidelines and (ii) sufficient systems and procedures in place.

The AMC is currently working on the operational aspects and on getting the systems and procedures in place for acceptance of cash. Hence, the exact date from which cash will be accepted by the AMC as a mode of payment for purchase of units of the Schemes of the Fund will be intimated to investors by way of an appropriate notice displayed at the ISCs or on the website of the AMC, viz., www.barodapioneer.in.

(F) Prudential limits and disclosures on portfolio concentration risk in debt-oriented mutual fund schemes:

The AMC will ensure that the total exposure of Baroda Pioneer Dynamic Bond Fund in a particular sector as classified by AMFI (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the scheme.

In the case of the other existing debt/income Schemes of the Fund, Baroda Pioneer Balance Fund and Baroda Pioneer Monthly Income Plan (MIP) Fund, this restriction shall be achieved within one year from September 13, 2012. During this one year, the total exposure of each of these Schemes in a particular sector shall not increase from the levels existing (if above 30%) as on September 13, 2012.

(G) Half-yearly Financial Results:

From the half-year ended September 30, 2012, the Fund will, within one month from the close of the half year, host a soft copy of the unaudited financial results of its Schemes on the AMC's website. The AMC will publish an advertisement disclosing the hosting of such financial results on its website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the head office of the Mutual Fund is situated.

Investors are requested to read the Addendum to the Documents together with the Documents to understand the detailed provisions relating to the above changes. These Addendum and Documents are available on the website, www.barodapioneer.in, at the Investor Service Centres and with distributors.

For Baroda Pioneer Asset Management Company Limited

Place : Mumbai

Date : September 28, 2012

sd/-

Authorised Signatory

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

For further details, kindly contact:

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