



**IIFL Asset Management Limited**  
**(Formerly known as India Infoline Asset Management Company Limited)**  
**Regd. Office: IIFL Center, 6<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg,**  
**Lower Parel, Mumbai 400013**  
**CIN: U74900MH2010PLC201113**

**Notice – cum- addendum to the Scheme Information Document(s) (SIDs), Key Information Memorandum(s) (KIMs) of IIFL Mutual Fund Investments in the units of Real Estate Investment Trust ('REITs') & Infrastructure Investment Trust ('InvITs') by Schemes of IIFL Mutual Fund:**

**NOTICE IS HEREBY GIVEN THAT**, in accordance with SEBI (Mutual Funds) Regulations, 2017 dated February 15, 2017 and SEBI Circular dated February 28, 2017, the Board of IIFL Asset Management Limited (Investment Manager to IIFL Mutual Fund) and IIFL Trustee Limited (Trustee to IIFL Mutual Fund) have approved IIFL Dynamic Bond Fund (An Open Ended Income Scheme), scheme of IIFL Mutual Fund ("Fund"), to make investments in REITs and InvITs with effect from August 09, 2017 ("Effective Date"), subject to applicable investment limits.

The Securities and Exchange Board of India vide its letter no. SEBI/HQ/IMD/DF3/OW/P/2017/16639/1 dated July 17, 2017 has noted the below changes.

**Applicable Limits for investments in the units of Real Estate Investment Trust ('REITs') & Infrastructure Investment Trust ('InvITs') :**

Sr. No.	Scheme Name	Applicable Investment Limits
1.	IIFL Dynamic Bond Fund	a. At the Mutual Fund level:- Not more than 10% of units issued by a single issuer of REIT and InvIT; b. At a single Mutual Fund scheme level: i. not more than 10% of its NAV in the units of REIT and InvIT; and ii. not more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer. The limits mentioned in sub- clauses (i) and (ii) above will not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT.

In this regard, the section on "Asset Allocation" under the Scheme Information Document (SID) and Key information Memorandum (KIM) of the schemes will be modified to permit investments in units of REITs and InvITs.

The above proposal is change in the Fundamental Attributes of the specified schemes as per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996.

**Asset Allocation:**

The existing and revised Asset Allocation table of the scheme is mentioned below:

IIFL DYNAMIC BOND FUND			
Existing Asset Allocation			Revised Asset Allocation
Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Debt Market instruments	0%	100%	Low to Medium
Money Market Instruments	0%	100 %	Low to Medium
The cumulative gross exposure in debt, money market and derivatives shall not exceed 100% of the net assets under management of the scheme.			
Instruments	Allocation		Risk Profile
	Minimum	Maximum	
Debt Market instruments	0%	100%	Low to Medium
Money Market Instruments	0%	100%	Low to Medium
Units issued by REITs & InvITs	0%	10%	Medium to High
The cumulative gross exposure in debt, money market, units of REIT & InvIT and derivatives shall not exceed 100% of the net assets under management of the scheme.			

**Risk Factors Associated with Investments in REITs and InvITs:**

- Market Risk:** REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.
- Liquidity Risk:** As the liquidity of the investments made by the Scheme(s) could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for liquidating the investments in the scheme may be high in the event of immediate redemption requirement. Investment in such securities may lead to increase in the scheme portfolio risk.
- Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns. The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

**Provisions related to Change in Fundamental Attributes:**

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 and pursuant to provisions of SEBI Circular dated February 28, 2017, the existing unitholders (i.e. whose names appear in the register of unitholders as on close of business hours on Friday July 21, 2017) under the schemes are hereby given an option to redeem or switch (to any other open ended schemes of IIFL Mutual Fund) at the prevailing Net Asset Value without any exit load, within the 15 days exit period starting from July 25, 2017 till August 08, 2017\_(both days inclusive and upto 3.00 pm on August 08, 2017). The normal redemption form may be used for this purpose and submitted at any Investor Service Centers.

Unitholders who do not exercise the exit option on or before August 08, 2017 would deemed to have consented to the proposed modification. Kindly note that an offer to exit is merely optional and is not compulsory.

All the valid applications for redemptions/switch-outs received under the schemes shall be processed at Applicable NAV of the day of receipt of such redemption/switch request, without payment of any exit load, provided the same is received during the exit period mentioned above. The redemption proceeds shall be dispatched within 10 (ten) business days of receipt of valid redemption request to those unitholders who choose to exercise their exit option. Redemption/switch-out of units from the schemes, during the exit period, may entail capital gain/loss in the hands of the unitholder. Similarly, in case of NRI investors, TDS shall be deducted in accordance with the applicable Tax laws, upon exercise of exit option and the same would be required to be borne by such investor only. Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances prior to the submission of redemption/switch requests. Unitholders should ensure that any change in address or payout bank details required by them, are updated in fund's records before exercising the exit option.

In view of individual nature of tax implications, unitholders are advised to consult their tax advisors. If the units are held in dematerialized form, investors are requested to contact their Depository Participant for their transactions.

This addendum shall form an integral part of the SIDs & KIMs of IIFL Dynamic Bond Fund all other features, terms and conditions as mentioned therein remained unchanged.

Place: Mumbai

**For IIFL Asset Management Limited**  
 (Formerly known as India Infoline Asset Management Company Limited)  
 Sd/-

Date: July 21, 2017

**"Mutual Fund investments are subject to market risks, read all scheme related documents carefully"**

Authorised Signatory