



IIFL
Asset Management

India Infoline Asset Management Company Limited
(CIN: U74900MH2010PLC201113)
Regd Off: IIFL Centre, 6th Floor, Kamala City,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Merger of IIFL Short Term Income Fund into IIFL Dynamic Bond Fund

NOTICE IS HEREBY GIVEN THAT the Board of Directors of India Infoline Asset Management Company Limited (IIFL AMC), Investment Manager to IIFL Mutual Fund (IIFMF) and India Infoline Trustee Company Limited (IIFL Trustee) Trustee to IIFL MF have approved the merger of IIFL Short Term Income Fund (IIFL STIF) into IIFL Dynamic Bond Fund (IIFL DBF), as a part of the product rationalisation process.

The Securities and Exchange Board of India vide its letter no. OW/32061/2014 dated November 12, 2014 has conveyed its no objection to the aforesaid merger.

The unit holders of IIFL STIF are requested to note that IIFL STIF, would cease to exist with effect from the close of the business hours on December 22, 2014 ("the effective date").

In terms of prevailing regulatory requirements, investors in IIFL STIF are given an option to redeem or switch (to any other open ended scheme of IIFL Mutual Fund) at the prevailing Net Asset Value without any exit load in case they do not wish to approve the merger. The period of this exit offer is valid from November 21, 2014, to December 22, 2014 up to 3.00 p.m. The normal redemption form may be used for this purpose and submitted at any of the Investor Service Centers.

Unitholders who do not exercise the exit option on or before December 22, 2014 would be deemed to have consented to the proposed merger.

The redemption payment will be made within 10 Business Days of receipt of valid redemption request to those unit holders who choose to exercise their exit option. In case of any pledge/lien/ other encumbrance marked on any units in IIFL STIF, the same shall be marked on the corresponding number of units allotted in IIFL DBF. Unit holders should ensure that any change in address or pay-out bank details required by them, are updated in the Fund's records before exercising the exit option.

In case of investors in IIFL STIF who opt to continue in IIFL DBF post merger and have registered for Systematic Investment Plan, the said registration will continue under IIFL DBF for its balance tenure subsequent to the merger.

Consequently, from the date of merger i.e., effective December 22, 2014, the investors of IIFL STIF would become investors of IIFL DBF in the respective plans/options. If no corresponding option is available, units of available default option under corresponding Plan will be allotted and for dividend plan the available default option is quarterly option.

All the features of the IIFL DBF and provisions as contained in Scheme Information Document shall remain unchanged post the merger.

The allotment of units in IIFLDBF consequent to the merger shall be considered as redemption in IIFL STIF and will result in short term/long term capital gain in the hands of the unitholder depending upon the period of holding of the investment. In case of NRI investors, TDS shall also be deducted in accordance with the applicable Tax laws for the redemption/switch of units from IIFL STIF during the exit period and the same would be required to be borne by such investor only. The unitholders are advised to consult their tax advisors with respect to their tax liability. The units allotted to the unitholders in IIFL DBF shall be treated as fresh subscription .

Further, the investment portfolio of IIFL STIF as on the date of merger, which are valued as per SEBI Guidelines, will be merged with the portfolio of IIFL DBF. This exit offer is not available to the investors of IIFL DBF since there is no change in fundamental attribute and the interests of investors of IIFL DBF are not adversely affected.

The individual communication regarding the merger are also despatched to the unitholders of the IIFL STIF. Unit holders may note that no action is required in case they are in agreement with the aforesaid changes. The offer to exit is optional at the discretion of the unit holders and not compulsory. We would like you to remain invested in the Scheme.

For India Infoline Asset Management Company Limited
Sd/-

Place: Mumbai

Date: November 19, 2014

Prashasta Seth
Chief Executive Officer

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