



NOTICE CUM ADDENDUM TO SCHEME INFORMATION DOCUMENT (SIDS) / KEY INFORMATION MEMORANDUM (KIM) AND STATEMENT OF ADDITIONAL INFORMATION (SAI) OF IIFL MUTUAL FUND (No. 3/2012)

NOTICE is hereby given that pursuant to SEBI Circular dated September 13, 2012 and SEBI (Mutual Funds) (Second Amendment) Regulations, 2012 notified on September 26, 2012, the following changes are applicable to SID/KIM [where applicable] of the Scheme(s) of IIFL Mutual Fund and SAI, effective October 1, 2012:

(1) Expenses Charged to the Scheme(s):

- In addition to the limits as specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations 1996 [‘SEBI Regulations’] or the Total Expense Limit as specified in respective SIDs of IIFL Mutual Fund, the following costs or expenses may be charged to the Scheme(s) of IIFL Mutual Fund, namely -

- (a) 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 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;
- (b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities (i.e beyond top 15 cities) as specified by SEBI from time to time are at least -
 - (i) 30 per cent of gross new inflows in the scheme, or;
 - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher;

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii) such expenses on daily net assets of the scheme shall be charged on proportionate basis;

The said additional expenses on account of inflows from beyond top 15 cities so charged shall be clawed back in the respective schemes, in case the said inflow is redeemed within a period of 1 year from the date of investment.

- (c) additional expenses, incurred towards different heads mentioned under Regulations 52(2) and 52(4), not exceeding 0.20 per cent of daily net assets of the scheme;
- (d) service tax payable on investment and advisory service fees (‘AMC Fees’) charged by India Infoline Asset Management Company (IIFLAMC);
- Within the Total Expense Limit chargeable to respective Schemes of IIFL Mutual Fund, following will be charged to the Schemes:
 - a) Service Tax payable on services other than investment and advisory services of IIFLAMC and on brokerage and transaction cost paid for asset purchase by Scheme(s),
 - (b) Investor education and awareness initiative fees of at least 2 basis points on daily net assets of respective Scheme(s),

The Investment and Advisory fees charged by IIFLAMC (‘AMC fees’) to respective scheme(s) of IIFL Mutual Fund will be within the Total Expense Limit

as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on said AMC fees, as currently mentioned under respective SIDs of IIFL Mutual Fund.

(2) Applicability of NAV to the Scheme:

In respect of purchase of units for an amount equal to or more than ₹ 2 lakhs, irrespective of time of receipt of application, the closing NAV of the day on which the funds are available for utilization (i.e before the cut off time of 3.00 p.m) shall be applicable. In respect of valid application received up to 3.00 p.m. and funds for the entire amount of subscription/ purchase as per the application are credited to the bank account of the Scheme before the cut-off time (3.00 p.m). i.e. available for utilization before the cut-off time- the closing NAV of the day shall be applicable;

(3) Acceptance of Cash as a mode of subscription:

Subject to sufficient systems and procedures to be put in place, from the date as would be notified by IIFLAMC on its website, subscriptions in schemes of IIFL Mutual Fund in mode of cash will be allowed to the extent of ₹ 20,000/- per investor, per mutual fund, per financial year. Repayment in the form of redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.

(4) Concentration Risk in Debt Oriented Schemes:

In case of debt oriented Schemes of IIFL Mutual Fund, the total exposure in a particular sector (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 and existing schemes shall comply with the said requirement on or before September 12, 2013.

(5) In applicable scheme(s), exit load net of service tax, if any, will be credited to the Scheme.

(6) Publication of half-yearly unaudited financial results:

IIFLAMC shall within one month from the close of each half year, that is on 31 st March and on 30th September, host a soft copy of unaudited financial results of Schemes of IIFL Mutual on its website and shall publish an advertisement disclosing the hosting of such financial results on its website, in atleast 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.”

(7) Under IIFL Dividend Opportunities Index Fund the requirement of accepting application of ₹ 5 lac and above only in mode of RTGS/NEFT/Funds Transfer Letter/Transfer Cheque stands withdrawn, effective October 1, 2012.

This addendum forms an integral part of the SAI and SID/KIM of IIFL Mutual Fund, all other features, terms and conditions as mentioned therein remain unchanged.

For India Infoline Asset Management Company Limited

Sd/-

Authorised Signatory

Place : Mumbai

Date : September 28, 2012

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