

NOTICE TO ALL UNITHOLDERS

Proposed indirect change in the controlling interest of IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Company Limited) (the asset management company of IIFL Mutual Fund) pursuant to change in shareholding of IIFL Wealth Management Limited (Sponsor to IIFL Mutual Fund)

Background and Proposed Transaction:

1. IIFL Asset Management Limited (Formerly known as India Infoline Asset Management Company Limited) ("IIFL AMC") is a wholly owned subsidiary of IIFL Wealth Management Limited ("Sponsor to IIFL Mutual Fund" or "IIFLW").
2. General Atlantic Singapore Fund Pte. Ltd ("GASF"), a company incorporated under the laws of Singapore having its principal place of business at 8 Marina View, #41-04 Asia Square Tower 1, Singapore, has agreed to invest up to 21.61% of the share capital of IIFLW, on a fully diluted basis subject to relevant terms and conditions ("Proposed Transaction").
3. The Proposed Transaction will lead to GASF indirectly acquiring more than 10% of the share capital of IIFL AMC.
4. Please note that even after completion of the Proposed Transaction, IIFLW will continue to act as the sponsor of IIFL Mutual Fund. Further, there are no changes proposed to the scheme(s) of IIFL Mutual Fund ("Schemes"). Accordingly, consequent to the Proposed Transaction, there shall be no impact on the existing investments of any of the unit holders of the Schemes.
5. The Securities and Exchange Board of India ("SEBI") has, pursuant to its letter no. SEBI/HO/IMD/DF3/OW/P/2016/1 dated February 11, 2016, granted it's no objection to the aforesaid Proposed Transaction.

Details in relation to GASF:

6. GASF is a wholly owned subsidiary of General Atlantic Singapore Fund Interholdco Ltd., a company incorporated in Bermuda.
7. The principal activity of GASF is investing and it makes, holds and disposes of investments in growth companies in Asia, including, but not limited to, China, Hong Kong, India and Singapore and potentially Indonesia, Malaysia, Vietnam, Australia, South Korea and other regions in Asia. Growth companies are companies whose growth is, or is expected to be, driven by attractive market or industry characteristics, regional and/or global expansion, acquisitions, superior management, technology, financial resources and/or access to key clients, customers, decision makers or experts.

Key highlights pursuant to the Proposed Transaction

Upon the receipt of necessary regulatory approvals in India and upon the consummation of the Proposed Transaction, the following will ensue:

- GASF will own up to 21.61% of the share capital of IIFLW, on a fully diluted basis.
- The shareholding pattern of IIFL AMC will continue to remain the same.
- There will be no change in the directors on the board of directors of IIFL AMC.
- No alterations or amendments are currently proposed to be made to the names of the Schemes.
- No changes are required to be incorporated in the Statement of Additional Information, Scheme Information Documents, Key Information Memoranda and other relevant documents of the IIFL Mutual Fund on account of the Proposed Transaction. Please note that the Schemes will continue to be governed by the Statement of Additional Information of the Mutual Fund and their respective Scheme Information Documents and there would be no change in any of the fundamental attributes or other terms and conditions governing the Schemes as a result of the Proposed Transaction.
- The expenses related to the Proposed Transaction will not be charged to the unit holders of the Schemes.

Notice to Unit Holders in relation to the indirect Change of Controlling Interest of the IIFL AMC pursuant to the Proposed Transaction:

The unitholders of Schemes are hereby informed that there would be an indirect change in controlling interest of the IIFL AMC pursuant to the acquisition of shares of IIFLW (holding company of IIFL AMC). As required under Regulation 22(e) of the SEBI MF Regulations, each unit holder of the Schemes of IIFL Mutual Fund is hereby being provided an option to exit his / her / its investment in the Scheme(s) of IIFL Mutual Fund at the prevailing Net Asset Value ("NAV") without exit load subject to the terms and conditions set out in the communication sent to them ("Exit Option"):

All unitholders as on the close of business hours of February 10, 2016 (record date) are provided with an option to exit their investment(s) in Schemes at the prevailing NAV without any exit load.

In accordance with the SEBI MF Regulations, existing unit holders who are not in agreement with the Proposed Transaction, may redeem their units at the prevailing NAV without payment of any exit load between February 13, 2016 and March 14, 2016 (upto 3.00 pm on March 14, 2016) (both days inclusive) ("Exit Option Period") by submitting the normal redemption request at the Investor Service Centre of IIFL Mutual Fund or of the Registrar. The unitholders, who hold their units in dematerialised form, need to submit the redemption request with their Depository Participant during Exit Option Period.

Unit holders who do not exercise the Exit Option upto 3.00 p.m. on March 14, 2016 shall be deemed to have consented to the Proposed Transaction. It is clarified that no action needs to be taken, if you have no objection to the Proposed Transaction.

The redemption payment will be made within 10 Business Days of receipt of valid redemption request to those unit holders who choose to exercise the Exit Option. In case of any pledge / lien / other encumbrance marked on any units, the unitholders will not have the option to exit unless they submit a release of their pledges/encumbrances prior to submitting their redemption/switch requests during the Exit Option Period.

Unit holders should ensure that any change in address or pay-out bank details required by them, are updated in the IIFL Mutual Fund's records before exercising the Exit Option. All transaction requests received after 3pm will be subject to load (if any), as may be prevailing at that time in the respective Schemes.

As regards unitholders who redeem their investments during the Exit Option, the tax consequences as set forth in the Statement of Additional Information / Scheme Information Document of the relevant Scheme(s) would apply. Whilst we have been advised that there should be no tax impact for unitholders who do not redeem their investment in the Schemes, you should consult your financial and tax advisors in this regard.

The redemption/switch of units from Equity Scheme(s) would be liable for deduction of Securities Transaction Tax ("STT"). However, such STT shall be borne by IIFL AMC and will not be borne by unitholders.

The offer to exit is merely an option and not compulsory. We would like the unitholders to remain invested in the Schemes at their sole discretion.

An individual communication regarding the acquisition is also being dispatched to all unit holders as on February 10, 2016.

As a unit holder, you are urged to go through this communication and letter dispatched to you carefully. Please consult your advisors (including financial/tax advisors) in the event that you have any queries in connection with the Exit Option.