

NOTICE TO ALL UNITHOLDERS

Proposed indirect change in control of IIFL Asset Management Limited (the asset management company of IIFL Mutual Fund) pursuant to change in shareholding of IIFL Wealth Management Limited (Sponsor of IIFL Mutual Fund)

BACKGROUND AND PROPOSED TRANSACTION:

- IIFL Asset Management Limited (“**IIFL AMC**”), the asset management company of IIFL Mutual Fund, is a wholly owned subsidiary of IIFL Wealth Management Limited (“**IIFLW**”). IIFLW is currently the sole sponsor of IIFL Mutual Fund, whereas IIFL Trustee Limited (“**IIFL Trustee**”) is the trustee of IIFL Mutual Fund.
- BC Asia Investments X Limited (“**BC Asia**” or “**Buyer**”), a private limited company incorporated in Mauritius with its registered address Suite 110, 10th Floor Ebene Heights Building, 34 Ebene Cybercity Ebene, Mauritius, has entered into a share purchase agreement dated 30 March 2022 (“**Share Purchase Agreement**”) with certain public shareholders of IIFLW (i.e., General Atlantic Singapore Fund Pte. Ltd. and FIH Mauritius Investments Ltd.) (collectively “**Sellers**”), to purchase an aggregate of 22,155,000 (twenty-two million one hundred fifty-five thousand) equity shares (“**Sale Shares**”) of IIFLW, being equivalent to 24.98% of the paid - up equity share capital of IIFLW, based on the outstanding paid - up equity share capital as on the date of the Share Purchase Agreement (“**Proposed Transaction**”).
- Upon completion of the Proposed Transaction, BC Asia will indirectly hold more than 10% of the paid - up equity share capital of IIFL AMC.
- Please note that IIFLW will continue to act as the sole sponsor of IIFL Mutual Fund even after completion of acquisition of Sale Shares under the Proposed Transaction. Consequent to the Share Purchase Agreement, there will be no changes to the scheme(s) of IIFL Mutual Fund (“**Schemes**”). Accordingly, there should be no impact on the existing investments of any of the unitholders of the Schemes on account of the Proposed Transaction.
- The Board of Directors of IIFL AMC has approved the Proposed Transaction on April 8, 2022. Further, the Board of Directors of IIFL Trustee has approved the change in control of IIFL AMC, on April 8, 2022, in terms of Regulation 22(e) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (“**SEBI MF Regulations**”).
- The Securities and Exchange Board of India (“**SEBI**”) has, pursuant to its letter no. SEBI/HO/IMD/IMD-1 DOF5/P/OW/2022/49063/1 dated September 19, 2022 granted it's no objection to the aforesaid Proposed Transaction (“**SEBI Approval**”).

Details in relation to BC Asia including the details of net worth have been provided for under Annexure A

KEY HIGHLIGHTS PURSUANT TO THE PROPOSED TRANSACTION

Upon completion of the Proposed Transaction, the following will ensue:

- BC Asia will hold 22,155,000 equity shares of IIFLW which represents 24.98% of the outstanding paid - up equity share capital of IIFLW as on the date of Share Purchase Agreement.
- The shareholding pattern of IIFL AMC will continue to remain the same.
- There will be no change in the directors or key personnel of IIFL AMC.
- There will be no alterations or amendments to the trust deed of, or the names of the Schemes of, or the name of, IIFL Mutual Fund.
- No changes will be required in the Statement of Additional Information, Scheme Information Documents, Key Information Memoranda and other relevant documents of the IIFL Mutual Fund consequent to the Proposed Transaction. Please note that the Schemes will continue to be governed by the Statement of Additional Information of IIFL 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 unitholders of the Schemes.

NOTICE TO UNITHOLDERS IN RELATION TO THE INDIRECT CHANGE IN CONTROL OF IIFL AMC PURSUANT TO THE PROPOSED TRANSACTION

The unitholders of Schemes are hereby informed that there would be an indirect change in control of IIFL AMC pursuant to the acquisition of the Sale Shares of IIFLW (holding company of IIFL AMC) by BC Asia. As required under Regulation 22(e) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (“**SEBI MF Regulations**”), each unitholder 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**”):

The said Exit Option will be available to all the unitholders of the Scheme(s) of IIFL Mutual Fund whose names appear in the records of the Registrar as at the close of business hours on October 28, 2022.

In accordance with the SEBI MF Regulations, existing unitholders who are not in favour of the Proposed Transaction, may redeem their units at the prevailing NAV without payment of any exit load between **October 31, 2022 and November 29, 2022**, up to **3:00 p.m.** (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, details of which are available on our website www.iifl.com. The unitholders, who hold their units in dematerialised form, need to submit the redemption request with their Depository Participant.

Unitholders who do not exercise the Exit Option upto **3:00 p.m. on November 29, 2022** shall be deemed to be in favour of the Proposed Transaction. It is clarified that no action needs to be taken, if you are in favour of the Proposed Transaction. Further, in accordance with Regulation 22(e) of the SEBI MF Regulations, SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021 and the SEBI No objection letter dated September 19, 2022, the Buyers and Sellers have committed to proceed with the Proposed Transaction after dispatch of letters to unitholders providing an exit option, and issuance of the advertisement (notice) in newspapers (“issuance of notice to the unitholders”). Post the issuance of notice to the unitholders, the compliance report on the same will be submitted to SEBI pursuant to conditions mentioned in the SEBI Approval.

The redemption payment will be made within 10 business days of receipt of valid redemption request to those unitholders 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.

The unitholders 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 **3:00 p.m. on November 29, 2022** will be subject to prevailing load structure in the respective Schemes and will not qualify for waiver of the exit load.

The 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 unitholders on **October 29, 2022**.

As a unitholder, 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.

All capitalized terms not defined in this notice but used herein, will have the meanings assigned to them under SEBI MF Regulations.

Place: Mumbai
Date: October 28, 2022

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

For **IIFL Asset Management Limited**
Sd/-
Authorised Signatory

ANNEXURE A

(a) **Acquiring Entity:**

- As of the signing date, BC Asia Investments X Limited (“**BC Asia**”) is a private limited company incorporated in Mauritius with its registered address as Suite 110, 10th Floor Ebene Heights Building, 34 Ebene Cybercity Ebene, Mauritius. BC Asia holds a Global Business License from FSC Mauritius. BC Asia is a part of the Bain Capital group.
- As of the Closing Date, BC Asia will remain a wholly owned subsidiary of APAC Company XII Limited (“**APAC XII**”), which will remain a wholly owned subsidiary of APAC Company XV Limited (“**APAC XV**”). APAC XV will then be owned as follows: (a) approximately 78% of APAC XV will be owned by APAC Company XVI Limited and other investment funds or vehicles advised by Bain Capital Private Equity, L.P., (b) approximately 11% of APAC XV will be owned by investment funds or vehicles advised by Bain Capital Credit, L.P. and (c) approximately 11% of APAC XV will be owned by the Canada Pension Plan Investment Board.
- Financial track record and performance of the Acquiring Entity:

Particulars	December 2021	December 2020	December 2019
	USD	USD	USD
Net Worth	(117,241.00)	(78,340.00)	(54,620.00)
Total Income	-	-	-
Profit after tax	(38,901.00)	(23,720.00)	(25,608.00)
Assets Under Management (if applicable)	-	-	-

(c) **Overview:**

- Bain Capital:** Bain Capital is a private multi-asset alternative investment firm founded in 1984. Bain Capital has partnered closely with management teams to provide the strategic resources that build great companies and help them thrive. Bain Capital has a global team of nearly 600 investment professionals which creates value for its portfolio companies through its global platform and depth of expertise in key vertical industries including healthcare, consumer/

retail, financial and business services, industrials, and technology, media and telecommunications. Bain Capital has offices in Boston, Chicago, New York, Palo Alto, San Francisco, Dublin, Lisbon, London, Luxembourg, Madrid, Munich, Guangzhou, Melbourne, Mumbai, Hong Kong, Seoul, Shanghai, Singapore, Sydney and Tokyo. Bain Capital invests across asset classes including private equity, fixed income, credit, real estate, public equity and venture capital, managing more than USD 160 billion in total and leveraging the firm’s shared platform to capture opportunities in strategic areas of focus. Bain Capital has two primary verticals – Bain Capital Private Equity and Bain Capital Credit:

- Bain Capital Private Equity: Bain Capital Private Equity pioneered the value-added investment approach. It partners with management teams to help build and grow great companies. Its success is built on a highly rigorous approach utilizing deep industry/company insights and a significant investment in the resources and expertise to drive strategic and operational transformation at our companies. The Bain Capital Private Equity global team, which operates in 20 offices on 4 continents, has made more than 1,100 primary and add-on investments that have generated consistently strong returns.
- Bain Capital Credit: Bain Capital Credit is a leading global credit specialist with \$57 billion in assets under management (as on December 31, 2021). It invests across the full spectrum of credit strategies, including leveraged loans, high-yield bonds, distressed debt and special situations, direct lending, structured products, non-performing loans and equities. Bain Capital Credit’s more than 170 investment professionals seek to identify attractive credit opportunities in North America, Europe and Asia-Pacific.

(ii) **Canada Pension Plan Investment Board (“CPPIB”):** CPPIB is a professional investment management organisation, with its registered office and principal business address at 1 Queen Street East, Toronto on M5C 2W5, Toronto, Canada. It invests the funds transferred to it by the Canada Pension Plan Fund (the “**CPP Fund**”) that are not needed by the CPP Fund to pay current benefits on behalf of 21 million contributors and beneficiaries. CPPIB’s legislative mandate is to (i) assist the CPP Fund in meeting its obligations to contributors and beneficiaries under the CPP Fund; (ii) manage amounts transferred to CPPIB pursuant to the Canada Pension Plan legislation in the best interests of the contributors and beneficiaries of the CPP Fund; and (iii) invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the CPP Fund and its ability to meet its financial obligations on any given business day.

CPPIB was created by the CPPIB Act in 1997 and all of the shares of CPPIB are owned by Her Majesty in Right of Canada. However, CPPIB is not a Canadian governmental entity or an agent of the government. It has an investment-only mandate and in fulfilling this mandate, CPPIB operates independently of, and at arm’s length from, the Canadian government. The government has no right or ability, under statute or otherwise, to direct or dictate what investments CPPIB shall make, or to exercise any control or direction over the business, affairs and operations of CPPIB. This governance system, which ensures CPPIB can discharge its investment mandate free from government influence, is widely considered a worldwide leading standard for national pension plans.