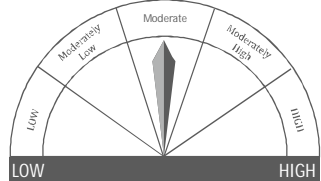


KEY INFORMATION MEMORANDUM

<p>The product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term Capital Growth; • Investments in equity and equity related securities with a Strategy of hedging by buying NIFTY 50 Put Option and other Equity derivatives; <p>* Investors should consult their financial advisors if in doubt about whether the product is suitable for them</p>	 <p>Investors understand that the principal will be at Moderate Risk</p>
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Offer of Units of Rs. 10/- per unit for cash during New Fund Offer.

New Fund Offer Opens on: April 23, 2018

New Fund Offer Closes on: May 04, 2018

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www.iiflmf.com

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

The KIM is dated March 27, 2018.

Name of Mutual Fund	Name of Asset Management Company	Name of Trustee Company
IIFL Mutual Fund IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	IIFL Asset Management Ltd. Regd. Office: IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	IIFL Trustee Ltd Regd. Office: IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Name of Sponsor	Name of the Registrar	
IIFL Wealth Management Limited Regd. Office: IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel Mumbai 400013	Computer Age Management Services Pvt. Ltd. (CAMS) Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034	

Name of the Scheme: IIFL Capital Enhancer Fund – Series 1

Type of the Scheme: An Annual Interval Scheme investing in Equity and Equity Related Securities

Investment Objective:

To achieve long term capital appreciation by investing in equity and equity related securities, with strategy of hedging the portfolio with Nifty 50 Put Option and other Equity derivatives. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

Asset Allocation Pattern of the Scheme:

The investment policies of the Scheme shall be as per SEBI (Mutual Funds) Regulations, 1996, and within the following guidelines. Under normal market circumstances, the investment range would be as follows:

Instruments	Indicative Allocation (% of Net assets)	Risk Profile
Equity and Equity related instruments	65% - 100%	High
Debt and money market instruments in India rated AAA or its equivalent	0% - 35%	Low to Medium

Equity related instruments are securities which give the holder of the security right to receive equity shares and includes share warrants, convertible preference shares and compulsorily or optionally convertible debentures.

As a strategy, the Scheme shall hedge its long position by buying a NIFTY 50 PUT Option of contract value up to 110% of its net assets (the option premium paid not exceeding 8% of the net assets), subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme.

The total exposure related to option premium paid shall not exceed 8% of the net assets of the Plan. Moreover, this upper limit of 8%, for investments in options premium, if any, shall be applicable only at the time of investment. If due to market actions the value of options appreciates/ depreciates resulting in breach of the limit of 8%, the fund manager may or may not rebalance the portfolio and may run with the ongoing exposure. Further, the fund manager shall purchase put option every year, for investors who continue to stay invested. The 8% premium limit shall be applicable per year and not on a cumulative/since inception basis. However, if the fund manager sells the option before expiry of the contract, the reinvestment, if any, would be subject to the maximum 8% limit on options premium.

Investment Strategy during Specified Transaction Period:

The scheme shall use index and stock derivatives (Futures and Options) to hedge partially or completely the equity portfolio. The Plan shall not (i) undertake repo/reverse repo transactions in Corporate Debt Securities; (ii) undertake Credit Default Swap and (iii) undertake Short Selling.

In accordance with SEBI Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 the cumulative investments in the Fund including investment in equity and equity related instruments, debt and money market and derivatives, if any, shall not exceed 100% of the net assets under management of the scheme. Security wise hedge positions using derivatives will not be considered in calculating above exposure. The Scheme will not participate in short selling, securitized debt, equity linked debentures, repo transactions of Corporate Debt Securities. The Scheme may invest in unrated debt and debt derivative

instruments. Investment in debt derivatives shall be up to 10% of the net assets of the Scheme.

The Scheme will not participate in securities lending more than 20% of total Net Assets of the Scheme and would limit its exposure with regard to securities lending for a single intermediary to the extent of 5% of the total net assets at the time of lending. Pending deployment of the funds as per the investment objective of the Scheme, the funds of the Scheme may be parked in short term deposits of the scheduled commercial banks, subject to the guidelines and limits specified by SEBI vide its circular dated April 16, 2007, as amended from time to time.

Investment Strategy: Equity Investment Strategy

The Scheme will primarily be a diversified equity fund which will likely (in normal market conditions) invest predominantly in large cap stocks. The Scheme shall hedge its long position by buying a NIFTY 50 PUT Option of contract value up to 110% of its net assets (the option premium paid not exceeding 8% of the net assets), subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. The Fund will also invest in the Initial Public Offerings (IPOs) of the companies.

Derivatives strategy:

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index. The fund manager, after appreciation of the NAV, may use derivatives instruments like Stock/ Index Futures and Options and its combination of strategies for the purpose of hedging of portfolio and thus will strive to minimize volatility of returns by apart from investments in equity and equity related instruments and debt instruments.

Investment Strategy during Specified Transaction Period:

The scheme shall use index and stock derivatives (Futures and Options) to hedge partially or completely the equity portfolio.

Debt investment Strategy

The fund will, in general invest a significant part of its corpus in equities and NIFTY 50 PUT Option however the Scheme would also invest whenever suitable opportunities are available in rated debt securities and money market instruments. The scheme may invest into various debt and money market securities maturing on or before the maturity of the scheme. All investments made by the Scheme will be made in accordance with SEBI (Mutual Fund) Regulations, 1996, as amended from time to time. The scheme will follow a structured investment process in order to identify the best securities for investment through internal research framework for consistently examining all securities. The aim of the Scheme will be to allocate the assets of the Scheme between various money market and fixed income securities with the objective of achieving optimal returns with high credit quality portfolio. The actual percentage of investment in various fixed income securities will be decided after considering the prevailing market conditions, the macroeconomic environment (including interest rates and inflation), the performance of the corporate sector and general liquidity and other considerations in the economy and market.

Risk Mitigation :

Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper measures for the same. Further, AMC has put in place a Front Office System for managing risk. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

Risk Profile of the Scheme:

Mutual Fund Units involve investment risk including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarised below:

Risks associated with investing in Equities:

- Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of Scheme.
- The NAVs of schemes investing in equity will fluctuate as the daily prices of the individual securities in which they invest fluctuate and the units when redeemed may be worth more or less than their original cost.
- The value of the Scheme's investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the NAV of the units of the Scheme may fluctuate and can go up or down.
- Investors may note that Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- Investments in equity and equity related Securities involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment
- The liquidity and valuation of the Scheme's investments due to its holdings of unlisted Securities may be affected if they have to be sold prior to the target date for divestment.
- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The AMC may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. This may, however, increase the risk of the portfolio. Additionally, the liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

Risk associated with Investing in Debt and money market instruments:

The performance of the Scheme may be affected by changes in macroeconomic factors such as Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems. (Please refer to SID for complete Risk Factors)

Dematerialization of units:

The applicants intending to hold Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will be required to mention in the Application Form details of the DP at the time of purchasing Units.

Listing/Liquidity:

Redemption requests for unitholders holding units in physical mode can be submitted to the Fund only during the Specified Transaction Period.

For investors holding units in demat mode, they shall submit the redemption request during the specified transaction period to the depository participant (DP). Such request accepted and processed by the DP shall be recognized by the Registrar and Transfer Agent (RTA) for changes in the beneficiary position (BENPOS) downloaded on the STP date. Accordingly redemption proceeds shall be paid to the unitholders whose names re appearing in the BENPOS on the STP date. Investors wishing to purchase/redeem between two STP may do so, in demat mode, by transacting through National Stock Exchange of India Ltd. Investors shall note that the brokerage on sale of the units of the scheme on the stock exchanges shall be borne by the investors. For units bought / sold on the exchange, settlement of the trade shall be as per settlement cycle of the Stock Exchange.

The Trustees reserves the right to suspend/deactivate/freeze trading, ISIN of the Scheme at any time prior to the STP

Plans:

- Regular Plan
- Direct Plan

Options:

- Growth Option.
- Dividend Option: Dividend Option will have facility of Dividend pay-out

If the applicant does not indicate the choice of Option in the Application form, the fund accepts the application as being for the Growth Option. Under Dividend Option, if applicant has not indicated the facility, the default facility accepted will be Dividend Payout.

Applicable NAV (for transaction during the Specified Transaction Period):

The Cut-off time for the Scheme is 3.00 pm and the Applicable NAV will be as under:

For Purchase / Switch-in:

- In respect of valid Purchase applications [along with necessary documents] of investment amount less than Rs. 2 lakh accepted at an Official Point of acceptance received up to 3.00 pm on a Business Day, the closing NAV of the day of receipt of application will be applicable;
- In respect of valid Purchase applications [along with necessary documents] of investment amount less than Rs. 2 lakh accepted at an Official Point of Acceptance received after 3.00 pm on a Business Day, the closing NAV of the next Business Day will be applicable;
- In respect of valid Purchase applications [along with necessary documents] of investment amount equal to or more than Rs. 2 lakh accepted at an Official Point of acceptance received up to 3.00 pm on a Business Day, and the funds are available for utilisation before the cut-off time the closing NAV of the day of receipt of application will be applicable;
- In respect of valid Purchase applications [along with necessary documents] of investment amount equal to or more than Rs. 2 lakh accepted at an Official Point of Acceptance received after 3.00 pm on a Business Day, and the funds are available for utilisation on the same day the closing NAV of the next Business Day will be applicable; and
- Irrespective of the time of receipt of application of investment amount equal to or more than Rs. 2 lakh, where the funds are not available for utilisation before the cut-off time the closing NAV of the day on which the funds are available for utilisation will be applicable.

For allotment of units, it shall be ensured that:

- For all valid applications of investment amount less than 2 lakhs the application is received before the applicable cut-off time;
- For all valid applications of investment amount equal to or more than 2 lakhs
 - The application is received before the applicable cut-off time;
 - Funds for the entire amount of subscription / purchase as per the application / switch-in request are credited to the bank account of the Scheme before the cut-off time;
 - The funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.

For more details on said aggregation refer SID.

For Redemption/ Switch out (During the Specified Transaction Period):

In respect of valid applications accepted at an Official Point of Acceptance up to 3.00 p.m. on a Business Day, the closing NAV of the same day will be applicable; and In respect of valid applications accepted at an Official Point of Acceptance after 3.00 p.m., the closing NAV of the next Business Day will be applicable.

Minimum Application Amount:

- New Purchase - Rs. 5,000 and in multiples of Re. 1.00 thereafter.
- Additional purchase - Rs. 1,000 and in multiples of Re. 1.00 thereafter.

(During the Specified Transaction Period)
The minimum application amounts listed above apply in case of Switches
The AMC in consultation with the Trustees reserves the right to discontinue/ add more plans/ options at a later date subject to complying with the prevailing SEBI guidelines and Regulations.

Repurchase/ Redemption (During Specified Transaction Period):

The minimum amount in rupees for Redemption shall be 1,000/- or account balance whichever is less. Investor may note that upon the processing of part redemption/switch out request, if the account balance in the scheme falls below Rs. 1000/- then the same will be redeemed/switched out along with the said request.

Cash Investment:

It is permitted to accept cash transactions to the extent of Rs. 50,000/-, however, the Asset Management Company is in process of implementing adequate systems and controls to accept Cash Investment in the Scheme. Information in this regard will be provided to Investors as and when the facility is made available.

Application supported by Blocked Amount (ASBA):

Investors may apply through the ASBA facility during the NFO period of the Scheme by filling in the ASBA form and submitting the same to selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the ASBA facility, which in turn will block the amount in the account as per the authority contained in the ASBA form, and undertake other tasks as per the procedure specified therein. Investors are also requested to check with their respective Banks for details regarding application through ASBA mode. The list of SCSBs are available on SEBI website www.sebi.gov.in and also on the website of the stock exchanges.

Despatch of Repurchase (Redemption) Request:

Within 10 Business Days of the receipt of valid redemption request at the Official Points of Acceptance.

Benchmark Index:

CRISIL Balance Fund – Aggressive Index

Dividend Policy:

Under Dividend Option, dividend will be declared subject to availability of distributable surplus and at discretion of Trustee.

Name of Fund Manager:

Mr. Prashasta Seth

Tenure for which the Fund Manager has been Managing the Scheme:

Not applicable as the scheme is a new Scheme to be launched

Name of Trustee Company:

IIFL Trustee Ltd

Performance of the Scheme:

The Scheme is new Scheme and does not have any performance track record. (Disclosure pursuant to SEBI Circular Dated March 18, 2016)

Scheme's portfolio holdings:

Not applicable as the scheme is a new Scheme to be launched

Fund allocation towards various Sectors:

Not applicable as the scheme is a new Scheme to be launched

Expenses of the Scheme:

1. Load Structure:

- Entry Load: Nil
- Exit Load: Nil

2. New Fund offer expenses:

All initial issue expense shall be borne by AMC.

3. Annual Recurring Expenses:

As per Regulation 52 (6) (c)(I) of SEBI Regulations, the maximum annual scheme recurring expenses including the investment management fees that can be charged to the Scheme is as follows:

Daily Net Assets(Rs.)	First 100 crores	Next 300 crores	Next 300 crores	Balance Assets
% per annum	2.5%	2.25%	2.00%	1.75%

The AMC has estimated the following annual recurring expenses on daily net assets of the Scheme. Further, any change in the expense ratio will be updated on our website and the same will be communicated to investor via SMS / e-mail 3 working days prior to the effective date of change. For the actual current expenses being charged, the investor should refer to the website: <http://www.iiflmf.com/expenses-ratio>

Expense Head	% of daily Net Assets
	Regular Plan
Investment Management and Advisory Fees	Up to 2.5%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements & dividend redemption cheques & warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively	
Service tax on expenses other than investment and advisory fees	
Service tax* on brokerage and transaction cost	
Other expenses(including listing expenses)	
Maximum total expense ratio (TER) permissible under Regulation 52 (6)(c)(i) & (6) (a)	Upto 2.50%
^Additional expenses for gross new inflows from specified cities	Up to 0.30%

These estimates of Investment Management Fees and Expenses have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se, which may be more or less than estimated above. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC.

- ^ In addition to total expense limits mentioned above, the AMC may charge the following in terms of Regulation 52(6A) of SEBI Regulations:
- Additional expenses not exceeding of 0.30% of daily net assets may be charged for inflows from specified cities from time to time are atleast:
 - 30 per cent of the gross new inflows into the scheme, or;
 - 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 are less than the higher of the above, such expenses on daily net assets of the scheme shall be charged on proportionate basis. Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

- Brokerage and transaction costs (including service tax) 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.
- Additional expenses incurred towards different heads mentioned under Regulations 52(2) and 52(4) of SEBI Regulations, not exceeding 0.20 per cent of daily net assets of the scheme.
- * In addition to above mentioned limits, the Service tax payable on investment and advisory service fees ('AMC Fees') charged by IIFL Asset Management Limited (IIFLAMC) will be charged to the Scheme.

"Direct plan shall have a lower expense ratio excluding distribution expenses, commission etc and no commission shall be paid from such plan."

Transaction charges:

SEBI has permitted a transaction charge to be paid to distributors, as detailed below:

- A transaction charge (presently Rs. 100/-) on every subscription of or above a certain amount (presently Rs. 10,000/-) will be deducted from the subscription amount for an existing investor in mutual funds, and the balance subscription amount will be invested.
- In the case of an investor investing in mutual funds for the first time, a transaction charge (presently Rs. 150/-*) on a subscription of or above a certain amount (presently Rs. 10,000/-) will be deducted from the subscription amount, and the balance subscription amount will be invested.
- * In the case of any applicable transaction, where the AMC/ Fund/ Registrar is unable to identify whether the investor concerned is a first-time investor in mutual funds, the transaction charge applicable to existing investors in mutual funds (presently Rs. 100/-) will be deducted from the subscription amount, and the balance will be invested.
- For subscriptions lesser than a certain amount (presently Rs. 10,000/-), no transaction charges will be deducted from the subscription amount, and the entire subscription amount will be invested. The transaction charge referred to in (i) and (ii) above will be payable only for transactions done through a distributor who has opted to receive the transaction charge.
- In the case of SIPs, the transaction charge shall be applicable only if the total commitment through SIPs, i.e. amount per SIP installment x No. of instalments, is of or above a certain amount (presently Rs. 10,000/-). In such cases, the transaction charge will be recovered in maximum 3-4 installments.

Actual Expenses for the previous financial year:

Not applicable being a new scheme.

Waiver of Load for Direct Application:

Not applicable

Tax Treatment for Investors (Unit Holders):

Investors are advised to refer to the detail in the Statement of Additional Information and also independently refer to his/ her tax advisor.

Daily Net Asset Value (NAV) Publication:

The NAV will be declared on all business days and will be communicated to atleast two newspapers. NAV can also be viewed on www.iiflmf.com and also on AMFI website www.amfiindia.com.

For Investor Grievances please contact:

Name and address of Registrar:
Computer Age Management Services Pvt. Ltd. (CAMS) Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034
Contact Person Name, Address, Telephone No.,
Mr. Shawn Sequeira IIFL Asset Management Ltd. IIFL Centre, 6th floor, Kamala City, S.B. Marg, Lower Parel, Mumbai – 400 013 Tel: (91 22) 4249 9000 Fax: (91 22) 2495 4310 Email: service@iiflmf.com Website: www.iiflmf.com

Investors are advised to contact any of the ISCs or the AMC by calling the toll free no. 1800-200-2267. Investors can also visit the website at www.iiflmf.com for complete details.

Unit Holder's Information:

Account Statements:

Account Statement will be sent to Investors opting to subscribe to/ hold units in physical form (i) by way of an e- mail and/or an sms to their registered e- mail address and or mobile number not later than 5 Business Days from the date of acceptance of the request for subscription, and (ii) a 'Consolidated Account Statement (CAS)' (to investors whose PAN details are updated). For investors who hold Units in dematerialized form, a demat statement shall be provided by the DP in such form and in such manner and at such time as provided in the agreement with the beneficial owner.

Annual Financial Results and Half Yearly Portfolio:

IIFLAMC within one month from the close of each half year (i.e. 31st March and 30th September) host a soft copy of unaudited financial results of schemes of IIFL Mutual Fund on its website and shall publish an advertisement disclosing the hosting of such financial results on its website, in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation on in the language of the region where the Head Office of the Mutual Fund is situation. The Fund shall every month disclose portfolio of the Scheme as on the last day of the month on its website viz. www.iiflmf.com, on or before the tenth day of the succeeding month.