# SCHEME INFORMATION DOCUMENT

## IIFL Liquid Fund

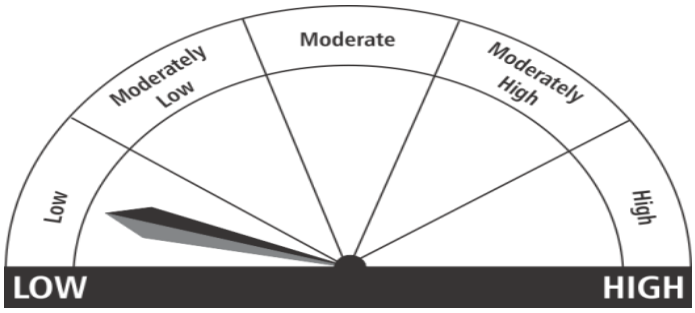
(An open ended liquid scheme)

**Continuous offer for units at NAV based prices**

| | |
|---|---|
| **Mutual Fund:** | **IIFL MUTUAL FUND** |
| **Asset Management Company:** | **IIFL Asset Management Ltd.** |
| | **CIN: U74900MH2010PLC201113** |
| **Trustee Company:** | **IIFL Trustee Ltd.** |
| | **CIN: U74990MH2009PLC193063** |
| **Registered Office:** | **IIFL Centre, 6th Floor, Kamala City, S.B. Marg,** |
| | **Lower Parel, Mumbai – 400 013** |
| **Tel No.:** | **022 4876 5600** |
| **Fax No.:** | **022 4646 4706** |
| **Website:** | **www.iiflmf.com** |

**This product is suitable for investors who are seeking***

- Income over short term horizon
- Investments in money market and short term debt instruments, with maturity not exceeding 91 days;




Investors understand that the principal will be at low risk

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).**

The SID sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of IIFL Mutual Fund, Tax and Legal issues and general information on www.iiflmf.com**

**SAI is incorporated by reference (is legally a part of the SID). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

**The SID should be read in conjunction with the SAI and not in isolation.**

This SID is dated June 30, 2020.

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# HIGHLIGHTS/SUMMARY OF THE SCHEME

<table>
<tr><td>Name of the Schemes</td><td>IIFL Liquid Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An open ended liquid scheme.</td></tr>
<tr><td>Investment Objective</td><td>To provide liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved.</td></tr>
<tr><td>Liquidity</td><td>Being an open-ended Scheme, units may be redeemed on every business day at NAV based prices. As per the Regulations, the Fund shall dispatch redemption proceeds within 10 business days of receiving the redemption request.</td></tr>
<tr><td>Plans / Options for Investment</td><td>
I. PLAN:<br>
Regular Plan and Direct Plan<br><br>
II. OPTION<br>
The Scheme has the following Options under each of above plans:<br>
Growth Option: This option is suitable for investors who are not looking for current income but who invest only with the intention of capital appreciation.<br>
Dividend Option: This option is suitable for investors seeking income through dividend declared by the Scheme. Under this Option, the Scheme will endeavor to declare dividends from time to time. The dividend shall be dependent on the availability of distributable surplus.<br><br>
The Dividend Option has the following Facilities:<br>
Dividend Reinvestment Facility (available for Daily, Weekly frequency)<br>
Dividend Pay-out Facility (available for Weekly frequency)<br><br>
In cases where the investor fails to opt for a particular Option at the time of investment, the default Option will be Growth.<br>
If the investor chooses Dividend Option and fails to mention facility / frequency then the default facility will be Reinvestment and the default frequency will be Weekly.<br><br>
If Dividend payable under Dividend Payout option is equal to or less than Rs. 500/- then the Dividend would be compulsorily reinvested in the option of the Scheme<br><br>
The Regular Plan and Direct Plan including all options there under will have a common portfolio of investments.<br>
Uniform treatment of applications under "Direct" / "Regular" Plans:
<table>
<tr><td>Broker Code mentioned by the investor</td><td>Plan mentioned by the investor</td><td>Default Plan to be captured</td></tr>
<tr><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>Direct</td><td>Not Mentioned</td><td>Direct Plan</td></tr>
</table>
</td></tr>
</table>

| | | | |
|---|---|---|---|
| | Direct | Regular | Direct Plan |
| | Mentioned | Regular | Regular Plan |
| | Mentioned | Not Mentioned | Regular Plan |
| | In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load. | | |
| **Benchmark** | CRISIL Liquid Fund Index. | | |
| **Transparency/NAV disclosure** | The AMC will calculate and disclose the NAV of the Scheme on all business days. The AMC will update the NAVs on AMFI's website (www.amfiindia.com) before 11.00 p.m. on every business day and also on its website (www.iiflmf.com).<br>In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.<br>Further the Mutual Fund / AMC will extend facility of sending latest available NAVs of the Scheme to the Unit holders through SMS upon receiving a specific request in this regard. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.<br><br>The Mutual Fund/AMC shall disclose portfolio (along with ISIN) of the Scheme as on the last day of the month / half year on website of Mutual Fund (www.iiflmf.com) and AMFI (www.amfiindia.com) within 10 days from the close of each month/ half-year respectively in a user friendly and downloadable spreadsheet format.<br><br>In case of Unitholders whose e-mail addresses are registered, the Mutual Fund / AMC shall send via e-mail both the monthly and half-yearly statement of Scheme portfolio within 10 days from the close of each month/ half-year respectively.<br><br>Further, the Mutual Fund / AMC shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi every half-year disclosing the hosting of the half-yearly statement of the Scheme portfolio on the website of the Mutual Fund (www. iiflmf.com) and on the website of AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of Scheme portfolio.<br><br>The Mutual Fund/ AMC shall provide a physical copy of the statement of Scheme portfolio, without charging any cost, on specific request received from a unitholder.<br><br>The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year | | |

<table>
<tr><td>Load Structure</td><td>
Entry Load: Nil<br>
In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.<br>
Exit Load: With effect from October 20, 2019<br><br>
<table>
<tr><td>Investor exit upon subscription</td><td>Exit load as a % of redemption proceeds</td></tr>
<tr><td>Day 1</td><td>0.0070%</td></tr>
<tr><td>Day 2</td><td>0.0065%</td></tr>
<tr><td>Day 3</td><td>0.0060%</td></tr>
<tr><td>Day 4</td><td>0.0055%</td></tr>
<tr><td>Day 5</td><td>0.0050%</td></tr>
<tr><td>Day 6</td><td>0.0045%</td></tr>
<tr><td>Day 7 onwards</td><td>0.0000%</td></tr>
</table>
<br>
Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, no entry load or exit load shall be charged in respect of units allotted on reinvestment of dividend.<br>
Please refer to Section IV C Load Structure in this SID for details.
</td></tr>
<tr><td>Minimum Application Amount</td><td>
Minimum Application Amount<br>
❖ New Purchase – Rs. 5000 and in multiples of Rs. 100 thereafter.<br>
❖ Additional purchase - Rs. 1000 and in multiples of Rs. 100 thereafter<br>
❖ Systematic Investment Plan (SIP)<br>
▪ Monthly option - Rs. 1000 per month for a minimum period of six months.<br>
Quarterly Option – Rs.1500 per quarter for a minimum period of 4 quarters.<br>
Investments above the minimum amount mentioned, shall be made in multiples of Rs. 100 for all SIP irrespective of frequency of SIP or the Option. The minimum application amounts listed above does not apply in case of Transfers (as and when new Schemes are introduced by the Mutual Fund).<br>
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.
</td></tr>
<tr><td>Minimum redemption amount</td><td>The minimum amount for redemption must be Rs. 1000/- or account balance whichever is less. Investor may note that upon the processing of redemption/switch out request, if the account balance in the scheme is less than Rs. 1000/- then the same will be redeemed/switched out along with the said request.</td></tr>
<tr><td>Dematerialization</td><td>Unit holders are given an option to hold the units in demat form in addition to account statement (physical form). Mode of holding shall be clearly specified in the Application Form.</td></tr>
</table>

| | |
|---|---|
| | The Unitholders intending to hold/trade the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP.<br>In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such unitholders will not be able to trade on the stock exchange.<br>The Unitholders are requested to fill in their demat account details in the space provided for the same in Key Information Memorandum (KIM) and application forms. Units held in demat from are freely transferable. |
| **Risk Factors** | For Risk Factors, please refer to paragraph on 'Risk Factors' in this document |

# I. INTRODUCTION

## A. RISK FACTORS

**Standard Risk Factors:**

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- As the price/value/interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down. The value of investment in the scheme may be affected, by change in the market, interest rates, change in credit rating, trading volumes, and settlement period and transfer procedures. The NAV is also exposed to Price/Interest Rate Risk and credit risk and may be affected inter-alia by the government policy, volatility and liquidity in the money market.
- Past performance of the Sponsors/AMC/Mutual Fund does not guarantee the future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and the returns. Investors are therefore urged to study the terms of offer carefully and consult their Investment Advisor before they invest in the Scheme.

  The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of Rs. 1 Lac towards setting up of the Mutual Fund. The present Scheme is not a guaranteed or assured return Scheme. The Mutual Fund is also not assuring that it will make periodical dividend/bonus distributions, though it has every intention of doing so. All dividend/bonus distributions are subject to the availability of distributable surplus of the Scheme

**Scheme Specific Risk Factors**

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. Below mentioned are the risks to the portfolio:

**Interest Rate/Price risk**: This risk is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The values of investments will appreciate/depreciate if the interest rates fall/rise. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices generally increase. The extent of fall or rise in the prices depends upon factors such as coupon, residual maturity of the security, micro and macroeconomic scenario as well as the yield level at which the security is being traded**.**

**Credit Risk/Default risk**: Credit risk is the risk that the issuer of a debenture/ bond or a money market instrument may default on interest &/or principal payment obligations. This risk arises due to any uncertainty in counterparty's ability or willingness to meet its contractual obligations. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. Corporate bonds carry a higher credit risk than Government Securities. Within corporate bonds as well, there are different levels of safety. Credit risks of most issuers of debt securities are rated by independent

and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from "AAA" (read as "Triple A" denoting "Highest Safety") to "D" (denoting "Default"), with about 6 distinct ratings between the two extremes. A bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency**.** The highest credit rating (i.e. lowest credit risk) commands a lower yield for the borrower. Conversely, a lower rated credit borrower would raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers, lenders prefer higher rated instruments further justifying the lower yields.

**Re-investment Risk:** Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate**.**

**Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

**Counterparty Risk:** This is the risk of failure of counterparty to the transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the scheme in case of counterparty default.

**Inflation risk:** Inflation, in most basic terms, erodes the purchasing power of money and also withers the value of existing investments; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

**Liquidity risk:** The liquidity of a bond may change depending on market conditions leading to changes in the liquidity premium linked to the price of the bond. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer.

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

**Settlement Risk**: Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

**Risk of Rating Migration:** It may be noted that the price of a rated security would be impacted with the change in rating and hence, there is risk associated with such migration**. Reduction in rating grade may affect the yields of a particular instrument in which Schemes has invested.**

**Risk Associated with Securitized Debt and PTC**

The Scheme may invest in domestic securitized debt such as Asset Backed Securities ("ABS") or Mortgage Backed Securities ("MBS"). ABS are securitized debts where the underlying assets are receivables arising from various loans including automobile loans, personal loans, loans against consumer durables, etc. MBS are securitized debts where the underlying assets are receivables arising from loans backed by mortgage of residential / commercial properties. At present in Indian market, following types of loans are securitized:

1. Auto Loans (cars / commercial vehicles /two wheelers)
2. Residential Mortgages or Housing Loans
3. Consumer Durable Loans

4. Personal Loans
5. Corporate Loans

In terms of specific risks attached to securitization, each asset class would have different underlying risks. Residential Mortgages generally have lower default rates than other asset classes, but repossession becomes difficult. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Asset classes like personal loans, credit card receivables are unsecured and in an economic downturn may witness higher default. The rating agency defines margins, over collateralization and guarantees to bring risk in line with similar AAA rated securities. The factors typically analyzed for any pool are as follows:

a. **Assets securitized and Size of the loan**: This indicates the kind of assets financed with the loan and the average ticket size of the loan. A very low ticket size might mean more costs in originating and servicing of the assets.
b. **Diversification:** Diversification across geographical boundaries and ticket sizes might result in lower delinquency.
c. **Loan to Value Ratio**: Indicates how much % value of the asset is financed by borrower's own equity. The lower this value the better it is. This suggests that where the borrower's own contribution of the asset cost is high; the chances of default are lower.
d. **Average seasoning of the pool**: This indicates whether borrowers have already displayed repayment discipline. The higher the number, the more superior it is.

**The other main risks pertaining to Securitized debt are as follows**:
**Prepayment Risk**: This arises when the borrower pays off the loan sooner than expected. When interest rates decline, borrowers tend to pay off high interest loans with money borrowed at a lower interest rate, which shortens the average maturity of ABS. However, there is some prepayment risk even if interest rates rise, such as when an owner pays off a mortgage when the house is sold or an auto loan is paid off when the car is sold.
**Reinvestment Risk:** Since prepayment risk increases when interest rates decline, this also introduces reinvestment risk, which is the risk that the principal can only be reinvested at a lower rate.

**Risk Associated with Derivatives**

Derivatives product are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
As and when the Scheme trades in derivative products, there are risk factors and issues concerning the use of derivatives that investors should understand. Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that a derivative adds to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

Basis Risk: This is when the instrument used as a hedge does not match the movement in the instrument / underlying asset being hedged. The risks may be inter–related also; for e.g. interest rate movements can affect security prices, which could influence specific issuer / industry assets

**Other risks in using derivatives include but are not limited to:**

**Credit Risk** – this occurs when a counterparty defaults on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counter party, at the then prevailing (possibly unfavorable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides a guaranteed settlement, but one takes the performance risk on the exchange.

**Market Liquidity** risk where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
**Model Risk**, the risk of mis–pricing or improper valuation of derivatives.
Trading in derivatives carry a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount.
The Scheme may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme.
The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility in the values.

**Interest Rate Swaps (IRS)** are highly specialized instruments that require investment technique and risk analysis different from those associated with equity shares and other traditional securities. The use of a IRS requires not only an understanding of the referenced asset, reference rate, or index but also of the swap itself, without the benefit of observing the performance of the swap under all possible market conditions. Swap agreements are also subject to liquidity risk, which exists when a particular swap is difficult to purchase or sell. Swap agreements may be subject to pricing risk, which exists when a particular swap becomes extraordinarily expensive (or cheap) relative to historical prices or the prices of corresponding cash market instruments. IRS agreements are also subject to counterparty risk on account of insolvency or bankruptcy or failure of the counterparty to make required payments or otherwise comply with the terms of the agreement.

***Risks associated with Securities Lending***

Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed.
In case the Scheme undertakes stock lending as prescribed in the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities lent. The Fund may not be able to sell such lent securities and his can lead to temporary illiquidity.

**RISK MITIGATION MEASURES**

The investment team of the AMC takes an active view on the key drivers affecting interest rate scenario. Investment views / decisions will be based on an analysis of macroeconomic and other relevant factors to estimate the direction of interest rates and level of liquidity, in an attempt to optimize the risk adjusted returns on the portfolio. Portfolios are rebalanced on a dynamic basis as per the objective of the scheme to optimize returns whilst managing risks at all points in time.
The credit quality of the portfolio is maintained and monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.

Whilst all risks such as interest rate risk, liquidity risk, default risk, reinvestment risk, etc. cannot be eliminated, they may be minimized through diversification, research and effective use of hedging techniques. The AMC would incorporate adequate safeguards to minimize above mentioned risks in the portfolio construction and management process.
To achieve this, an internal Investment Committee meets regularly to provide overall guidance for the investment management process. The committee periodically reviews investment strategies and adherence to scheme objectives and restrictions. The Investment Committee Periodically reviews the investment strategies and philosophy and adherence to all scheme parameters.

## B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme.

On an on-going basis the Scheme should have a minimum of 20 investors and no single investor should account for more than 25% of the corpus of such scheme within a period of three months or at the end of the succeeding calendar quarter, whichever is earlier from the close of the New Fund Offer (NFO). After the NFO and the 3 months balancing period, in each subsequent quarter thereafter, on an average basis, the scheme shall meet with both the conditions of minimum number of investor and holding as a percentage of the corpus.

Determining the breach of 25% limit - The average net assets of the scheme would be calculated daily and any breach of the 25% holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor is computed to determine whether that investor has breached the 25% limit over the quarter. If there is a breach of limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period.

## C. SPECIAL CONSIDERATIONS, if any

Prospective investors should review/study Statement of Additional Information along with SID carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscriptions, gifting, acquisition, holding, disposal (sale, transfer, redemption or conversion into money) of units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other

tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, redemption or conversion into money) of units within their jurisdiction/nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift units are subject, and also to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding units before making an application for units.

Neither this SID nor the units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration and accordingly, any person who gets possession of this SID is required to inform themselves about, and to observe, any such restrictions. It is the responsibility of any persons in possession of this SID and any persons wishing to apply for units pursuant to this SID to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/Stock Exchange/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof.

IIFL Mutual Fund/AMC/ Trustee has not authorised any person to issue any advertisement or give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorised by the Fund or the AMC. Purchase or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are not consistent with the information contained herein shall be solely at the risk of the investor. The investors are requested to check the credentials of the individual, firm or other entity they are entrusting his/her application form and payment to, for any transaction with the Fund. The Fund shall not be responsible for any acts done by the intermediaries representing or purportedly representing such investor.

If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any unit holder where the units are held by a unit holder in breach of the same. The Trustee may further mandatorily redeem units of any unit holder in the event it is found that the unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.

If a unit holder makes a redemption request directly with the Fund immediately after purchase of units, the Fund shall have a right to withhold the redemption request till sufficient time has elapsed to ensure that the amount remitted by him (for purchase of units) is realized and the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased units may have to be redeemed to effect the full redemption.

The tax benefits described in this SID and SAI are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India as on the date of this SID and the Unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unitholder is advised to consult his / her own professional tax advisor.

The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form or who have been designated as such by the investor. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.

In case the AMC or its Sponsor or its Shareholders or their affiliates/associates or group companies make substantial investment, either directly or indirectly in the Scheme, Redemption of units by these entities may have an adverse impact on the performance of the Scheme. This may also affect the ability of the other Unitholders to redeem their units.

**Additional business undertaken by AMC;**

Pursuant to Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996, SEBI vide its letter dated January 24, 2014 has given its No Objection to IIFL Asset Management Limited (IIFL AMC) to undertake Investment Management and Advisory Services to the pooled assets including Alternative Investment Funds/Offshore Funds and to undertake Portfolio Management Services. Pursuant to said NOC, AMC act as an Investment Manager to IIFL Venture Fund (Category I – Alternative Investment Fund), IIFL Private Equity Fund (Category II – Alternative Investment Fund), IIFL Opportunities Fund (Category III – Alternative Investment Fund) and IIFL Real Estate Investment Trust (Real Estate Investment Trust).

The AMC is also registered as a Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 vide registration No. INP000004565. The AMC also offers non-binding Advisory services to offshore funds. The AMC is also registered with SEC, US as an Investment Adviser.

In carrying out the above mentioned additional business there is no conflict of Interest with the activities of the Mutual Fund.

In terms of the Prevention of Money Laundering Act, 2002 ("PMLA") the rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti-Money Laundering (AML) Laws, all intermediaries, including mutual funds, are required to formulate and implement a client identification programme, and to verify and maintain the record of identity and address(es) of investors.

If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall have absolute discretion to report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/ any other person.

Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

## D. DEFINITIONS

In this Information Document, unless the context otherwise requires:

| | |
|---|---|
| **Applicable NAV** | Unless stated otherwise in this document, 'Applicable NAV' is the Net Asset Value at the close of a Business/Working Day on which the purchase or redemption is sought by an investor and determined by the Fund. |
| **Asset Management Company/AMC/Investment Manager** | Means IIFL Asset Management Ltd., a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as an Asset Management Company for the Schemes of IIFL Mutual Fund. |
| **Application Supported by Blocked Amount or ASBA** | ASBA is an application containing an authorization to a Self Certified Syndicate Bank (SCSB) to block the application money in the bank account maintained with the SCSB, for subscribing to an issue. |
| **Beneficial Owner** | As defined in the Depositories Act 1996 (22 of 1996) means a person whose name is recorded as such with a depository |
| **Business Hours** | Presently 10.00 a.m. to 5.00 p.m. on any Business Day or such other time as may be applicable from time to time. |
| **Certificate of Deposit** | Certificate of Deposit (CD) is a negotiable money market instrument issued by Scheduled Commercial Banks (SCBs) and select All India Financial Institutions (FIs) that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the SCBs is between 7 days to 1 year, whereas, in case of FIs, maturity is 1 year to 3 years from the date of issue. CDs also are issued at a discount to face value and can be traded in secondary market. |
| **Commercial Paper** | Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and All India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity. CP can be issued for maturities between a minimum of 15 days and a maximum up to 1 year from the date of issue |
| **Consolidated Account Statement / CAS** | An account statement detailing all the transactions during a period and / or holding at the end of the period across all schemes of all mutual funds, including transaction charges paid to distributor, as applicable. This statement will be issued to dormant investors on a half yearly basis and to investors in whose folios any transaction has taken place during a month, on a monthly basis. |
| **Continuous offer** | Offer of the Units when the scheme becomes open-ended after the closure of the New Fund Offer. |
| **Custodian** | Means Deutsche Bank AG, which has been granted a certificate of registration by SEBI under SEBI (Custodian of Securities) Regulations, 1996 and for the time being appointed by the Fund for rendering custodial services for the Scheme in accordance with the Regulations. |
| **Cut-off time** | Cut-off Timing', in relation to a prospective investor making an application to the Mutual Fund for sale or repurchase of units, shall mean, the outer limit of timing within a particular day which is relevant for determination of the NAV applicable for his transaction |
| **Dematerialization** | The process of converting physical units (account statements) into an electronic form. Units once converted into dematerialised form are held in a Demat account and are freely transferable. |

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| **Depository** | Means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL). |
| **Fixed Income Securities / Debt Instruments** | Government securities(G-Sec), corporate debentures, promissory notes, money market instruments, pass-through certificates, asset backed securities/securitised debt and other possible similar securities |
| **Depository Participant** | Means a person registered as such under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992. |
| **Derivative** | Financial contracts of pre-determined fixed duration like futures and options whose values are derived from the value of underlying primary financial instruments/factors such as: interest rates, exchange rates, commodities, and equities. |
| **Distributor** | Such persons/ firms / corporates that fulfills the criteria laid down by SEBI / AMFI from time to time and empanelled by the AMC to distribute / sell/ market the schemes of the Mutual Fund. |
| **Dividend** | Means the income distributed by the Fund on units. |
| **Direct Plan** | Direct Plan is a plan for investors who purchase/subscribe the Units of the Scheme directly and do not route their investments through a Distributor. |
| **Entry Load** | Means load on purchase/subscription of units. |
| **Exit Load** | Means load on repurchase/redemption of units (other than CDSC). |
| **Fund/ Mutual Fund** | Means IIFL Mutual Fund, a Trust set up under the provisions of Indian Trust Act, 1882 and registered with SEBI vide Registration No. MF/067/11/02 dated March 23, 2011. |
| **Investor** | Means any resident or non-resident person whether individual or a non-individual who is eligible to subscribe for units under the laws of his/her/their state/country of incorporation, establishment citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments made from time to time and who has made an application for subscribing units under the Scheme. Under normal circumstances, a unit holder would be deemed to be an investor. |
| **IMA** | means Investment Management Agreement dated April 29, 2010, as amended from time to time, entered into between IIFL Trustee Ltd. and IIFL Asset Management Ltd. |
| **ISC** | Investor Service Centre of the Asset Management Company/Registrars. |
| **Load** | Means a charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exit from the Scheme. |
| **MIBOR** | The Mumbai Interbank Offered Rate published once every day by the National Stock Exchange and published twice every day by Reuters, as specifically applied to each contract. |
| **Micro Finance Institutions** | "micro finance institution" means an entity (irrespective of its organisational form), which<br>provides micro finance services in the form and manner as may be prescribed but does not include<br>(i) a banking company, State Bank of India, a Subsidiary Bank, a corresponding new bank, a cooperative bank, EXIM Bank, Reconstruction Bank, National Housing Bank, National Bank, a Regional Rural Bank and Small Industries Bank;<br>(ii) a co-operative society engaged primarily in agricultural operations or industrial activity or |

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| | purchase or sale of any goods and such other activities;(iii) a cooperative society not accepting deposits from anybody except from its members having voting rights or from those members who will acquire voting rights after a stipulated period of their making deposits as per the law applicable to such cooperative society. |
| **Micro Finance Services** | Means one or more of the following financial services involving small amounts to: individuals or groups:<br>(i) providing micro credit;<br>(ii) collection of thrift;<br>(iii) remittance of funds;<br>(iv) providing pension or insurance services;<br>(v) any other services as may be specified in such form and manner as may be prescribed<br>"thrift" means any money collected other than in the form of current account or demand deposits, by a micro finance institution from members of self-help groups or any other group of individuals by whatever name called, who are availing financial services provided by such micro finance institution; |
| **Money Market Instruments** | Money Market Instruments as defined in Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time. Generally, Money Market Instruments includes commercial papers, commercial bills, and treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, CBLO, certificate of deposit, usance bills and any other like instruments as specified by the Reserve Bank of India from time to time. |
| **Mutual Fund Regulations / Regulations** | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended up to date, and such other regulations as may be in force from time to time. |
| **NAV** | Means Net Asset Value per unit of the Scheme calculated in the manner described in this SID or as may be prescribed by the SEBI Regulations from time to time. |
| **Non- resident Indian or NRI** | A Non-Resident Indian or a Person of Indian Origin residing outside India. |
| **Person of Indian Origin** | A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub clause (a) or (b). |
| **Pass Through Certificate (PTC)** | A form/structure of secuterise debt where the issuer securities a series of future receivables |
| **Rating** | Rating means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999. |
| **RBI** | Means the Reserve Bank of India established under The Reserve Bank of India Act, 1934. |

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| **Real Estate Development** | Means multifaceted business, encompassing activities that range from the renovation and re-lease of existing buildings to the purchase of raw land and the sale of improved parcels to others. |
| **Record Date** | Shall be the date that will be considered for the purpose of determining the eligibility of the investors whose names appear in the Scheme's Unitholder's Register for receiving Dividend in accordance with the SEBI Regulations. |
| **Registrar and Transfer Agent** | Computer Age Management Services Ltd. (CAMS), registered under the SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993, currently acting as registrar to the Scheme, or any other Registrar appointed by the AMC from time to time. |
| **Repo** | Sale of Government Securities with simultaneous agreement to repurchase them at a later date. |
| **Reverse Repo** | Purchase of Government Securities with simultaneous agreement to sell them at a later date. |
| **Scheme** | Means IIFL Liquid Fund |
| **SEBI** | Means the Securities and Exchange Board of India, established under Securities and Exchange Board of India Act, 1992 as amended from time to time. |
| **SEBI Regulations/ Regulations** | Means SEBI (Mutual Funds) Regulations, 1996 as amended from time to time including any circulars, directions or clarifications issued by SEBI or any Government authority and as applicable to the Scheme and the Fund. |
| **Scheme Information Document/ SID** | Means this document issued by IIFL Mutual Fund for offering Units of the Scheme. |
| **Securities** | As defined in Securities Contract (Regulation) Act, 1956 & includes notes, bonds, debentures, debenture stock, warrants, etc., futures, options, derivatives, etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts / Government Securities, Mutual Fund Units, Money Market Instruments like Call Deposit, Commercial Paper, Treasury Bills, etc. and such other instruments as may be declared by GOI and / or SEBI and / or RBI and / or any other regulatory authority to be securities and rights or interest in securities but subject to the asset allocation of the Scheme. |
| **Short Selling** | Short selling means selling a stock which the seller does not own at the time of trade. |
| **Statement of Additional Information /SAI** | Means the document issued by IIFL Mutual Fund containing details of IIFL Mutual Fund, its constitution and certain tax, legal and general information. SAI is legally a part of the SID. |
| **Sponsor** | Means IIFL Wealth Management Limited, a Company incorporated under the Companies Act, 1956 and includes its successors and permitted assigns. |
| **Switch** | Redemption of a unit in any scheme (including the options therein) of the Mutual Fund against purchase of a unit in any other open-ended scheme (including options therein) of the Mutual Fund, subject to completion of lock-in period, if any, of the units of the scheme(s) from where the units are being switched |
| **Trustee** | Means the Trustee Company which holds the property of IIFL Mutual Fund in trust and includes the directors of the Trustee Company and the successors and assigns of the Trustee Company. |
| **Trustee Company** | Means IIFL Trustee Limited, a Company incorporated under the Companies Act, 1956 and approved by SEBI to act as Trustee of the Schemes of IIFL Mutual Fund. |

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| **Trust Deed** | Means the Deed of Trust of the Mutual Fund dated April 29, 2010 entered into between IIFL Finance Limited (Formerly known as IIFL Holdings Ltd.) (Settlor) and IIFL Trustee Ltd. (Trustee Company). |
| **Unit** | Means the interest of investor in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme. |
| **Unit-holder** | Means a person holding unit(s) in the Scheme offered under this SID. |
| **Working Day/Business Day** | Means any day other than: (a) Saturday and Sunday (b) a day on which capital/debt markets in Mumbai are closed or are unable to trade for any reason (c) a day on which the register of unit holders is closed (d) a day on which the Banks in Mumbai are closed/or RBI is closed for business/clearing (e) a day on which NSE is closed (f) a day which is public/Bank holiday at a collection centre where the application is received (g) a day on which sale and repurchase of units is suspended by the Trustee (h) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. However, the AMC reserves the right to declare any day a Working Day or otherwise at any or all collection centres. |
| **Interpretation:** | |
| Words and expressions used in this SID and not defined will have same meaning as assigned to them in Trust Deed. | |
| **For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise requires:** | |
| All references to the masculine shall include feminine and all reference to the singular shall include plural and vice-versa. | |
| All references to “dollars” or “$” refer to the Unites States Dollars and “Rs.” refer to the Indian Rupees. A “crore” means “ten million” and a “lakh” means a hundred thousand. | |
| All references to timings relate to Indian Standard Time (IST). | |
| Any reference to any statue or statutory provision shall be construed as including a reference to any statutory modifications or re-enactment therein from time to time. | |
| Headings are for ease of reference only and shall not affect the construction or interpretation of this Document. | |

## E. DUE DELIGIENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

I. The Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

II. all legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

III. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.

IV. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

V. The contents of the Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.

For IIFL Asset Management Limited

Sd/-
Place: Mumbai
Name: Kavita Khatri
Date: June 30, 2020 Designation: Compliance Officer

Note: The aforesaid Due Diligence Certificate has been submitted to the Securities and Exchange Board of India (SEBI).

# II. INFORMATION ABOUT THE SCHEME

## A. TYPE OF SCHEME

An open ended Liquid scheme.

## B. INVESTMENT OBJECTIVE

To provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt securities with residual maturity of up to 91days.

However, there can be no assurance that the investment objective of the Scheme will be achieved.

## C. ASSET ALLOCATION

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 |
|---|---|---|---|
| | Minimum | Maximum | |
| Money market and debt instruments with residual maturity up to 91 days (including floating rate debt instruments and securitized debt)* | 0% | 100% | Low to Medium |

**In case of deviation the portfolio would be rebalanced within 1 month from the date of deviation.**

*Investments in securitized debt including Pass Through Certificates (PTCs) not to exceed 25% of the net assets of the Scheme as at the time of purchase.

The total exposure of the Scheme in a particular sector, based on AMFI classification (excluding investments in Bank CDs, TREPs, Government Securities, Treasury Bills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. An additional exposure to financial services sector (over and above the existing 20% limit) not exceeding 10% of the net assets of the scheme may be made by way of investments in AA or higher rated securities of Housing Finance Companies (HFC's) registered with National Housing Bank (NHB). However, the total investment in HFC's shall not exceed 20% of the net assets of the scheme. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio

The scheme shall not take any leveraged position. The cumulative gross exposure in debt, money market and derivatives shall not exceed 100% of the net assets under management of the scheme.

The Scheme will not invest in Foreign Securities and will not participate in repo transactions of Corporate Debt Securities / Credit Default Swaps.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 13/150975/09 dated January 19, 2009, the Scheme shall make investment in / purchase debt and money market securities with maturity of up to 91 days only.

Explanation:
a. In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of the security.
b. In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.
c. In case the maturity of the security falls on a Non-business Day, then settlement of securities will take place on the next Business Day. The total debt derivative exposure will be restricted to 50% of the net assets of the Scheme. The Scheme shall not invest in equity derivatives. Investment in derivatives shall be for hedging, portfolio balancing, and such other purposes as maybe permitted by regulations and guidelines from time to time.
If permitted by SEBI under Regulations / guidelines, the Scheme may also engage in securities lending. Security Lending will only be with approved intermediaries, will not be more than 20% of the net assets of the Scheme and will not be not more than 5% of the net assets of the Scheme to any single counter party.

The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the Borrower on expiry of the stipulated period. The Investment Manager will apply the following limits, should it desire to engage in Securities lending:

**Disclosure pursuant to SEBI's communication dated August 25, 2010 w.r.t. investments in Securitised debt:**

**Evaluation of Securitised Debt:** A pre-investment risk evaluation procedure similar to the one applied to other debt instruments will be applied to analyse the risk profile of the securitised debt instruments and to ascertain that the same is in line with the investment objective of the Scheme. Normally, the risk of investing in securitized debts is similar to investing in debt securities. However as securitised debt involves staggered cash flows from underlying loans, there is always a risk of pre-payment of loan installments by the ultimate borrower which may reduce the returns of the Scheme if the reinvestment rates are lower than initially envisaged. Also, securitised debts have a relatively lower liquidity compared to other debt securities. Securitised debts, typically offer higher yield than debt securities of similar rating and maturity due to the aforementioned additional risks. If the fund manager is of the view that the additional risks are suitably compensated by higher returns, then investments will be made in securitised debts subject to applicable limits. The Scheme will predominantly invest only in those securitization issuances which have at least an investment grade credit rating indicating high level of safety from the credit risk point of view at the time of making an investment.

1. **Policy relating to originators**: To be based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc. The Originator is the entity who has initially given the loan and transferred the receivables to a SPV. The Scheme shall invest in those securitised debts, whose Originator is a Corporate Entity, being a Bank or an NBFC. Further, before investing in securitised debts, the

Originator will be evaluated on the following critical parameters and a detailed report will be compiled:
-Transaction structure including Par versus premium and credit enhancement
-Reputation of Originator in the market
- Proportion of overdue assets of the pool or the underlying loan, as the case may be
-Track record of servicing of the pool or the loan, as the case may be
-Any disputes or litigations in the originated pools
-Credit quality and rating
-Loan to Value ratio
-Liquidity facility

2. Risk mitigation strategies for investments with each kind of originator - Risk would be mitigated to a large extent by the critical evaluation parameters mentioned above. Further, risk mitigation strategies typically include additional credit enhancement, overcollateralization, interest subvention, presence of subordinate tranches, analysing ageing of the pools i.e. how long the loan has been with Originator before securitization etc.
3. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments - Currently, the securitized market in India is at a nascent stage. There are only few kinds of securitized assets available in the market. The limitation of options has kept diversification of underlying assets low. However, the Scheme will endeavour to maintain diversification with respect to the underlying assets by investing in various types of pools after evaluating each category on the basis of the approximate average maturity, maximum single exposure, average single exposure, average loan to value ratio, the collateral margin etc. A pre-investment review of the originators, underlying assets and the borrower's credit profile will be conducted.
4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

| **Characteristics/ Type of Pool** | **Mortgage Loan#** | **CV & CE** | **Cars** | **2 Wheelers** | **Micro Finance Pools @** | **Personal Loans** | **Single Sell Downs** |
|---|---|---|---|---|---|---|---|
| Approximate Average maturity (in Months)* | Up to 10 years | Up to 2 years | Up to 2 years | Up to 2 years | NA | NA | Refer to Note A |
| Collateral margin (including cash guarantees, excess interest spread, subordinate tranche) | >10% | >10% | >10% | >10% | NA | NA | |
| Average Loan to Value Ratio (%) | <90% | <80% | <80% | <80% | NA | NA | |
| Average seasoning of the Pool (months) | >3 Months | >3 Months | >3 Months | >3 Months | NA | NA | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Maximum single exposure range% | <1% | <1% | <1% | <1% | NA | NA | |
| Average single exposure range % | <1% | <1% | <1% | <1% | NA | NA | |

NOTE A: In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.

5. Minimum retention period of the debt by originator prior to securitization - RBI governs the issuance of securitised debts in India. It has formulated guidelines for minimum retention period. Depending on the tenor of the securitised assets and the type of repayment schedule viz. periodic repayment or bullet repayment, nine or twelve months have been prescribed as the minimum retention period before the assets can be securitised.
6. Minimum retention percentage by originator of debts to be securitized - RBI has prescribed the minimum retention percentage as 5% or 10% of the book value of the loans being securitised depending on the original maturity of the loans and the features of the securitisation transaction.
7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund - The investments in securitised debts are made on the basis of the independent assessments of the research team and the judgements of the fund manager. Our internal processes are designed to ensure complete independence of the research and investment process from the sales business.
8. In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt.

The fund management team has the required experience to analyse and monitor investments in securitized debts. On an on-going basis the rating movement of the securitised debts will be monitored. Credit research agencies also provide analysis of individual instruments and pools. The periodic reports received by the AMC on pool performance will be scanned to check for any change in asset quality and related impact on debt servicing and any impact that it can have

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 from time to time. Subject to limits prescribed by SEBI, the maturity profile of the Scheme can undergo a change in case the market conditions warrant and at the discretion of the fund manager. The investments in short term deposits of scheduled commercial bank for pending deployment of funds of a scheme shall be excluded while calculating sector exposure.

**Change in Asset Allocation**

The Scheme may review the above pattern of investments/ asset allocation based on views on interest rates and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, legislative amendments and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the fund manager; the intention being at all times to seek

to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. In case of deviation, the portfolio would be rebalanced within 1 month from the date of deviation. In case the same is not aligned to the above asset allocation pattern within 1 month, justification shall be provided to the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide on the course of action.

**How is the Scheme different from existing open ended debt schemes of IIFL Mutual Fund**

IIFL Liquid Fund is a new product offered by IIFL Mutual Fund and is not a minor modification of the existing Scheme. IIFL Liquid Fund is different from the existing open debt scheme(s) launched by IIFL Mutual Fund, as stated below:

<table>
<tr><th>Sr.</th><th>Name & Type of the Scheme</th><th>Indicative Asset Allocation of the Scheme</th><th>Investment Objective</th><th>AUM as on May 31, 2020 (Rs. Crore)</th><th>No of Folios as on May 31, 2020</th><th>Comparison</th></tr>
<tr><td>1.</td><td>IIFL Dynamic Bond Fund (IDBF)<br><br>(An open ended dynamic debt scheme investing across duration)</td><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Allocation</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt Market instruments</td><td>0%</td><td>100 %</td><td>Low to Medium</td></tr>
<tr><td>Money market instruments</td><td>0%</td><td>100 %</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs &InvITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table>
</td><td>The Scheme would endeavour to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.</td><td>169.67</td><td>1036</td><td>IIFL Dynamic Bond Fund will invest in instruments of various maturities with endeavour to generate long term gains.<br>IIFL Liquid Fund will invest in Money Market & Debt Instruments with maturity up to 91 days.</td></tr>
</table>

**Debt Market Overview**

The Indian Debt Market has grown in size substantially over the years. The Reserve Bank of India has been taking steps to make the Indian Debt Market efficient and vibrant. Broadly, the debt market is divided in two parts viz. the Money Market and the Debt market. Money market instruments have a tenor of less

than one year while debt market instruments have a tenor of more than one year. Money market instruments are typically commercial paper, certificates of deposit, treasury bills, TREPS (Tri Party Repo Dealing System) etc. Debt market comprises typically of securities issued by Governments (Central and State), Banks, Financial Institutions, and Companies in the private and public sector, Corporations, Statutory Bodies etc.

The trading in Government securities and Treasury Bills is mainly done through the OMS (Order Matching System) introduced by CCIL and RBI's NDS PDO. Other debt securities like corporate bonds and money market instruments are mainly traded over the counter (OTC), where counterparties deal directly or through broker platforms. FIMMDA Trade Reporting and Confirmation System (F-TRAC) is used for capturing/ reporting of trades in certificate of deposit, commercial paper and outright corporate bonds trades in secondary market and (iii) repo transactions in corporate bonds. The National Stock Exchange of India Limited has a separate trading platform called the Wholesale Debt Market segment where trades put through member brokers are reported. BSE (Bombay Stock Exchange) also has a similar platform. CCIL (Clearing Corporation of India) have set up platform for lending and borrowing through the TREPS (Tri Party Repo Dealing System) dealing system and CROMS (Repo Order Matching system). TREPS facilitates, borrowing and lending of funds, in Triparty Repo arrangement. CCIL is the central counterparty to all trades from Tri Party Repo Dealing System (TREPS) and also performs the role and responsibilities of Triparty Repo Agent, as, in terms of Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 and as amended from time to time by RBI. These dealing systems have been fairly successful and in addition to the call money market account for bulk of the overnight lending and borrowing activities of market participants for short term surpluses. Promoted by major banks and financial institutions, The Clearing Corporation of India Ltd. (CCIL) was incorporated on April 30, 2001. The CCIL guarantees the settlement of all trades executed through NDS. The clearing and settlement risks viz., Counter party Credit Risk and Operational Risk are mitigated by CCIL thereby facilitating a smooth settlement process. The following table gives approximate yields prevailing as on June 8th 2020 on some of the money and debt market instruments. These yields are indicative and do not indicate yields that may be obtained in future as interest rates keep changing.

| Instruments | Yield (% per annum) |
|---|---|
| TREPS | 3.10 |
| 91 Day Treasury Bill | 3.35 |
| 364 Day Treasury Bill | 3.56 |
| 1 Year CD | 4.00 |
| 1 Year CP | 4.25 |
| 5 -Year Government of India Security | 5.20 |
| 10-Year Government of India Security | 6.15 |

## D. INVESTMENT BY THE SCHEME

The corpus of the Scheme will be invested in money market & debt instruments with maturity / average maturity/residual maturity/ interest rate reset not greater than 91 days which will include but not limited to:

**Certificate of Deposit (CD):** of scheduled commercial banks and development financial Institutions Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is one year to 3 years from the date of issue.

**Commercial Paper (CP):** Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity.

**Repo:** Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, G-Secs, State Government securities and T-Bills are eligible for Repo/Reverse Repo.

**Treasury Bill (T-Bill):** Treasury Bills (T-Bills) are issued by the Government of India or State Governments to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, 182 days and 364 days. T-Bills are issued at a discount and for a fixed period.

**Tri-party repo (TREPS):** Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

**Securities created and issued by the Central and State Governments** as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

**Non convertible debentures and bonds**: Non convertible debentures as well as bonds are securities issued by companies / Institutions promoted /owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, Public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements. The Scheme may also invest in the non convertible part of convertible debt securities.

**Floating rate debt instruments:** Instruments issued by Central / state governments, corporates, PSUs, etc. with interest rates that are reset periodically.

**Pass through Certificate (PTC):** (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

**When issued:** When, as and if issued (commonly known as "when-issued" (WI) security) refers to a security that has been authorized for issuance but not yet actually issued. WI trading takes place between the time a new issue is announced and the time it is actually issued. All "when issued" transactions are on an "if" basis, to be settled if and when the actual security is issued.

SEBI has on April 16, 2008 in principle allowed Mutual Funds to undertake "When Issued (WI)" transactions in Central Government securities, at par with other market participants.
Open Positions in the WI market are subject to the following limits:

| Category | Reissued Security | Newly Issued Security |
|---|---|---|
| Non – PDs | Long Position, not exceeding 5 percent of the notified amount. | Long Position, not exceeding 5 percent of the notified amount. |

**Securitized Assets:** Securitization is a structured finance process which involves pooling and repackaging of cashflow producing financial assets into securities that are then sold to investors. All assets can be securitized so long as they are associated with cash flows. A Pass Through Certificate (PTC) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations. A typical process of asset securitization involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) also referred to as Securitized Debt to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency.

The Scheme may invest in various type of securitisation issuances. The Scheme does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the credit rating of the offering.

Disclosures regarding investments in Securitised Debt:

1. **Evaluation of Securitised Debt:** A pre-investment risk evaluation procedure similar to the one applied to other debt instruments will be applied to analyse the risk profile of the securitised debt instruments and to ascertain that the same is in line with the investment objective of the Scheme. Normally, the risk of investing in securitized debts is similar to investing in debt securities. However as securitised debt involves staggered cash flows from underlying loans, there is always a risk of pre-payment of loan installments by the ultimate borrower which may reduce the returns of the Scheme if the reinvestment rates are lower than initially envisaged. Also securitised debts have a relatively lower liquidity compared to other debt securities. Securitised debts, typically offer higher yield than debt securities of similar rating and maturity due to the aforementioned additional risks. If the fund manager is of the view that the additional risks are suitably compensated by higher returns, then investments will be made in securitised debts subject to applicable limits. The Scheme will predominantly invest only in those securitization issuances which have at least an investment grade

credit rating indicating high level of safety from the credit risk point of view at the time of making an investment.

2. **Policy relating to originators**: To be based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc. The Originator is the entity who has initially given the loan and transferred the receivables to a SPV. The Scheme shall invest in those securitised debts, whose Originator is a Corporate Entity, being a Bank or an NBFC. Further, before investing in securitised debts, the Originator will be evaluated on the following critical parameters and a detailed report will be compiled:
   _ Transaction structure including Par versus premium and credit enhancement
   _ Reputation of Originator in the market
   _ Proportion of overdue assets of the pool or the underlying loan, as the case may be
   _ Track record of servicing of the pool or the loan, as the case may be
   _ Any disputes or litigations in the originated pools
   _ Credit quality and rating
   _ Loan to Value ratio
   _ Liquidity facility
3. Risk mitigation strategies for investments with each kind of originator - Risk would be mitigated to a large extent by the critical evaluation parameters mentioned above. Further, risk mitigation strategies typically include additional credit enhancement, overcollateralization, interest subvention, presence of subordinate tranches, analysing ageing of the pools i.e. how long the loan has been with Originator before securitization etc.
4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments - Currently, the securitized market in India is at a nascent stage. There are only few kinds of securitized assets available in the market. The limitation of options has kept diversification of underlying assets low. However, the Scheme will endeavour to maintain diversification with respect to the underlying assets by investing in various types of pools after evaluating each category on the basis of the approximate average maturity, maximum single exposure, average single exposure, average loan to value ratio, the collateral margin etc. Also strict pre-investment review of the originators, underlying assets and the borrower‘s credit profile will be conducted.
5. Minimum retention period of the debt by originator prior to securitization - RBI governs the issuance of securitised debts in India. It has formulated guidelines for minimum retention period. Depending on the tenor of the securitised assets and the type of repayment schedule viz. periodic repayment or bullet repayment, nine or twelve months have been prescribed as the minimum retention period before the assets can be securitised.
6. Minimum retention percentage by originator of debts to be securitized - RBI has prescribed the minimum retention percentage as 5% or 10% of the book value of the loans being securitised depending on the original maturity of the loans and the features of the securitisation transaction.
7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund - The investments in securitised debts are made on the basis of the independent assessments of the research team and the judgements of the fund manager. Our internal processes are designed to ensure complete independence of the research and investment process from the sales business.
8. In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt.
   The fund management team has the required experience to analyse and monitor investments in securitized debts. On an on-going basis the rating movement of the securitised debts will be monitored. Credit research agencies also provide analysis of individual instruments and pools. The

periodic reports received by the AMC on pool performance will be scanned to check for any change in asset quality and related impact on debt servicing and any impact that it can have on the credit ratings.

The aforementioned securities may be acquired through Initial Public Offering (IPOs), secondary market, private placement, rights offers, negotiated deals. Further investments in debentures, bonds and other fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with the provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations.
The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity subject to investment limits specified elsewhere in this document.
The Fund Manager reserves the right to invest in such securities as may be permitted from time to time and which are in line with the investment objectives of the Scheme.

## E. INVESTMENT STRATEGY

The investment strategy of the scheme is to invest into various debt and money market securities with an overall portfolio residual maturity of less than 91 days**.** All investments made by the Scheme will be made in accordance with SEBI (Mutual Fund) Regulations, 1996, as amended from time to time The AMC will follow a structured investment process in order to identify the best securities for investment and has developed an internal research framework for consistently examining all securities**.** The aim of the Investment Manager 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.

**Investment /Credit evaluation**

Fund Manager shall take a view on the broad direction of the market including interest rate outlook. While monitoring credit quality of the portfolio, the investment team shall evaluate each credit before inclusion into the Scheme portfolio. Following factors are considered while evaluating investment and credit of debt and other instruments.

- Liquidity of instrument
- Credit rating of instrument
- Credit spread
- Issuer of instruments and sectors it belongs to
- Credit Quality as determined by analyzing its financial statements
- Aggregate Exposure to the issuer
- Exposure of other Fund

**Risk Mitigation**

Effective Risk management is critical to effective fund management. 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.

The portfolio of Scheme will comprise of securities issued by central and state government as also debt & money market instruments issued by corporates. All such securities will normally mature on or before maturity of the scheme. As the securities are normally held to maturity, the interest rate risk is significantly mitigated. The debt securities issued by the corporates do carry a credit risk as also the liquidity risk, however the investments team will endeavor to choose securities for the scheme portfolio, which have better liquidity in the markets and are sound credit exposures.

**Fixed Income Derivatives**

The Scheme may invest in various derivatives instruments including interest rate swaps and forward contracts which are available for investment in Indian Markets from time to time and which are permissible under the Regulations from time to time. Investment in such instruments will be made in accordance with the investment objective and the strategy of the Scheme. The investments shall also be subject to the internal limits as may be laid down from time to time and such limits and restrictions as may be prescribed by the Regulations or any other regulatory body.

Concepts and Examples (for illustrative purpose only):
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, such as: interest rates, exchange rates, commodities, and equities.

**Interest Rate Swaps**
Interest Rate Swaps is an agreement between two parties (counterparties) to exchange payments at specified dates on the basis of a specific amount with reference to a specified reference rate. Swap Agreements provide for period payment dates for both parties where payments are netted and only the net amount is paid to the counterparty entitled to receive the net payment. Consequently, the Scheme's current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement, based on the relative values of the possession held by each counterparty.

Example of a swap transaction:
Assume that the Scheme has a Rs.50 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Thus, the Scheme has a potential interest rate risk and stands to incur a loss if the interest

rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap on July 1, 2014 for 6 months that is upto January 1, 2015. Through this swap, the Scheme will receive a fixed determined rate (assume 8%) and pays the 'benchmark rate' (MIBOR), which is fixed by an intermediary who runs a book and matches deals between various counterparties, such intermediary could be the NSE or the Reuters. This swap would effectively lock in the interest rate of 8% for the next 6 months, eliminating the daily interest rate risk.

On January 1, 2015 the Scheme is entitled to receive interest on Rs. 50 crore at 8% for 180 days i.e., 2 crores (this amount is known at the time the swap is concluded) and will pay the compounded benchmark rate. The counterparty is entitled to receive the daily compounded call rate for 180 days and pay 8% fixed rate. On January 1, 2015, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 2 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.

Effectively, the Scheme earns interest at the rate of 8% p.a. for 6 months without lending money for 6 months fixed, whilst the counterparty pays interest @ 8% p.a. for 6 months on Rs. 50 crores without borrowing for 6 months fixed.

**Interest Rate Futures**

Interest Rate Futures (IRF) contract is an agreement to buy or to sell a debt instrument at a specified future date at a price that is fixed today. Exchange traded IRFs are standardised contracts based on a notional coupon bearing Government of India (GOI) security. National Securities Clearing Corporation Limited (NSCCL) is the clearing and settlement agency for all deals executed in Interest Rate Futures. NSCCL acts as legal counter-party to all deals on Interest Rate Futures contract and guarantees settlement.

**Forward Rate Agreement**

Forward rate agreement is a transaction in which the counterparties agree to pay or receive the difference between an agreed fixed rate and the interest rate prevailing on a stipulated future date, based on a notional amount, for an agreed period. As the interest rate is fixed now for a future period, the only payment is the difference between the agreed fixed rate and the reference rate in the future. As in the case of interest rate swaps, only notional amounts are exchanged.

Assume that on June 30, 2014, the 90 day commercial paper (CP) rate is 8.75% and the Scheme has an investment in a CP of face value Rs.25 crores which is going to mature on September 30, 2014. If the interest rates are likely to remain stable or decline after September 2014, and if the fund manager, who wants to re-deploy the maturity proceeds for 3 more months, does not want to take the risk of interest rates going down, he can then enter into a following forward rate agreement (FRA) say as on June 30, 2014:

He can receive 3 X 6 FRA on June 30, 2014 at 8.75% (FRA rate for 3 months lending in 3 months' time) on the notional amount of Rs. 25 crores, with a reference rate of 90 day CP benchmark. If the CP benchmark on the settlement date i.e. September 30, 2014 falls to 8.5%, then the Scheme receives the difference 8.75 – 8.5 i.e. 25 basis points on the notional amount Rs. 25 crores for 3 months. The maturity proceeds are then reinvested at say 8.5% (close to the benchmark). The scheme, however, would have locked in the rate prevailing on June 30, 2014 (8.75%) as it would have received 25 basis points more as settlement amount from FRA. Thus, the fund manager can use FRA to mitigate the reinvestment risk In this example, if the rates move up by 25 basis points to 9% on the settlement date (September 30, 2014), the Scheme loses 25 basis points but since the reinvestment will then happen at 9%, effective returns for the Scheme is unchanged at 8.75%, which is the prevailing rate on June 30, 2015.

**Forward Contracts**

Forward contract is a transaction in which the buyer and the seller agree upon the delivery of a specified quality (if commodity) and quantity of underlying asset at a predetermined rate on a specified future date.

Assume that on June 30, 2015, the scheme has invested 1 million dollars in a US treasury security. Fund manager expects that the yields in the US will come down in the next 6 months and plans to sell the asset on December 31, 2015 to book the gain. Rupee is trading at 63 to a US Dollar on June 30, 2015. If rupee appreciates compared to the Dollar in these 6 months to say 62.00 per Dollar, the Scheme will earn lower returns in Rupee terms when the fund manager sells the investments on December 31, 2015 and converts the proceeds into Rupees. He can mitigate this exchange rate risk by entering into a forward contract to sell 1 million dollars on June 30, 2015 for value December 31, 2015 (6 month forward) and receive the prevailing premium of say 50 paisa per Dollar i.e. he has locked in a rate of 63.50 per US Dollar for delivery on December 31, 2015. With this the Scheme is not exposed to the loss of Rupee appreciation or profit from Rupee depreciation.

**Portfolio Turnover**

The Scheme being an open-ended Scheme, it is expected that there would be a number of Subscriptions and Redemptions on a daily basis. Further, in the debt market, trading opportunities may arise due to changes in system liquidity, interest rate policy announced by RBI, shifts in the yield curve, credit rating changes or any other factors. In the opinion of the fund manager these opportunities can be played out to enhance the total return of the portfolio, which will result in increase in portfolio turnover. There may be an increase in transaction cost such as brokerage paid, if trading is done frequently.

However, the cost would be negligible as compared to the total expenses of the Scheme. Frequent trading may increase the profits which will offset the increase in costs.

The fund manager will endeavor to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable measure accuracy, the likely turnover in the portfolio of the Scheme. The Scheme has no specific target relating to portfolio turnover.

## F. FUNDAMENTAL ATTRIBUTES

Following are the fundamental attributes of the Scheme, in terms of Regulation 18(15A) of the SEBI Regulations:

I. **Type of Scheme:** An Open Ended Liquid Scheme

II. **Investment Objective:**

- Investment objective - Please refer section of 'Investment Objective'.
- Investment pattern - Please refer section of 'Asset Allocation'.

III. **Terms of Issue:** Provisions with respect to listing, repurchase, redemption of units and fees and expenses as indicated in this Scheme Information Document.

In accordance with Regulation 18(15A) of the Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and Plan(s)/Option(s) thereunder or the trust or fees and expenses payable or any other change which would modify the Scheme and the Plan(s)/Option(s) thereunder and affect the interest of the Unit Holders will be carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and
- The Unit holders are given an option to exit for a period of 30 days to exit at the prevailing Net Asset Value without any Exit Load.

  However, changes / modifications to the Scheme made in order to comply with any subsequent change in Regulations or circulars issued by SEBI will not constitute change in fundamental attributes.

**G. BENCHMARK INDEX**

The performance of IIFL Liquid Fund is benchmarked against the CRISIL Liquid Fund Index. The Scheme intends to have a portfolio mix of instruments, which are mainly captured by Crisil Liquid Fund Index. Hence, the benchmark is an appropriate benchmark for the Scheme. The Trustee reserves right to change benchmark in future for measuring performance of the scheme.

## H. FUND MANAGER OF THE SCHEME

| Fund Manager/Age | Brief Experience |
|---|---|
| Mr. Ankur Parekh 44 years | Mr. Ankur Parekh has over 18 years of work experience in the Fixed income securities market. His previous experience includes working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Master's in Business Administration from Bharthihar University, Tamil Nadu. |

Mr. Parekh has been managing the scheme since March 08, 2017. Mr. Parekh is also the fund manager of IIF Dynamic Bond Fund.

## I. INVESTMENT RESTRICTIONS

The following investment limitations and other restrictions, inter-alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

- A scheme may invest in another scheme, under the same AMC or any other mutual fund provided that the aggregate inter-scheme investments made by all schemes under the same AMC or any other mutual fund shall not exceed 5% of the net assets of the Fund or any other limit as prescribed by the Regulations from time to time. The AMC is not permitted by the Regulations to charge any investment management and advisory services fee on such investments.

- The Scheme shall not invest more that 10% of its NAV in debt instruments [irrespective of residual maturity period (above or below one year)] comprising of money market instrument and non- money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Trustee and the Board of the AMC. Provided that such limit shall not be applicable for investments in government securities, treasury bills and collateralized

borrowing and lending obligations. Provided further that investments within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board.

- The Scheme shall not invest (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) more than 20% of net assets in the Group. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees. The investments in debt and money market instruments of group companies of both the sponsor and the AMC shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Trustees. For this purpose, "Group" means a group as defined under regulation 2 (mm) of the Regulations and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

- The total exposure of the Scheme in a particular sector, based on AMFI classification (excluding investments in Bank CDs, TREPs, Government Securities, Treasury Bills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. An additional exposure to financial services sector (over and above the existing 20% limit) not exceeding 10% of the net assets of the scheme may be made by way of investments in AA or higher rated securities of Housing Finance Companies (HFC's) registered with National Housing Bank (NHB). However, the total investment in HFC's shall not exceed 20% of the net assets of the scheme. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.
- The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

  Provided further that the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly. Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the Board:

- Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the scheme shall be subject to the following:
  a. Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
  b. Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme.
  I. c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees

- The scheme shall not park funds pending deployment in short term deposits of scheduled commercial banks.
- The scheme shall not invest in debt securities having structured obligations (SO rating) and/ or credit enhancements (CE rating). However, debt securities with government guarantee shall be excluded from such restriction.
- The scheme shall hold at least 20% of its net assets in liquid assets. For this purpose, liquid assets will include cash, government securities, T-Bills and repo on government securities. In case exposure in liquid assets falls below 20% of the net assets of the scheme, the AMC will ensure compliance with the requirement before making further investments.
- Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:-

  (a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.

  (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

- The Scheme shall not make any investment in: a) any unlisted security of an associate or group company of the Sponsor; or b) any security issued by way of private placement by any associate or group company of the Sponsor; or c) the listed securities of group companies of the Sponsor in excess of 25% of its net assets.

- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
  - Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI
  - Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange subject to the framework specified by SEBI.
- The Scheme shall not invest in any Fund of Funds Scheme.
- No term loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Schemes for the purpose of payment of interest or dividends to Unit olders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Schemes and the duration of such borrowing shall not exceed a period of six months.
- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.
- The Mutual Fund shall enter into transactions relating to Government Securities only in dematerialised form.
- Investments in Fixed Income Derivatives shall be in accordance with the guidelines as stated under SEBI circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, as may be amended from time to time.
- The Fund may lend securities in accordance with “Guidelines for Participation by Mutual

Funds in Stock Lending" issued by SEBI or any amendments thereto.

- The Scheme may also use various derivative and hedging products from time to time, as are available and permitted by SEBI.
- If any company invests in/holds more than 5% of the NAV of the Scheme, then investment made by the Scheme or any other scheme of the Fund in that company or its subsidiaries will be disclosed in accordance with the Regulations.
- The Scheme will comply with any other Regulation applicable to the investments of Mutual Funds from time to time.

These investment limitations/parameters as expressed (linked to the net asset/net asset value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective, the remedying of that situation, taking due account of the interests of the Unit Holders. Apart from the investment restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

The Trustee /AMC may alter the above stated limitations from time to time and also to the extent the Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objective.

Wherever investments are intended to be of a long-term nature, the securities shall be purchased or transferred in the name of the Fund, on account of the Scheme concerned. Modifications, if any, in the Investment Restrictions on account of amendments to the Regulations shall supersede/ override the provisions of the Trust Deed.

All investment restrictions shall be applicable at the time of making investments. The AMC/ Trustees from time to time may alter these investment restrictions in conformity with the SEBI Regulations, so as to permit the Scheme to make its investments in the full spectrum of permitted investments to achieve its investment objective.

**Investment by AMC**

The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and in accordance with SEBI Circular no. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme/ Plan. Under the Regulations, the AMC is not permitted to charge any investment management and advisory fees. As per SEBI (Mutual Funds) Amendment Regulations, 2014 notified on May 6, 2014, the sponsor or AMC have invested not less than one percent of the assets under management of the scheme as on date of notification of these regulations i.e. 06 May-2014 or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

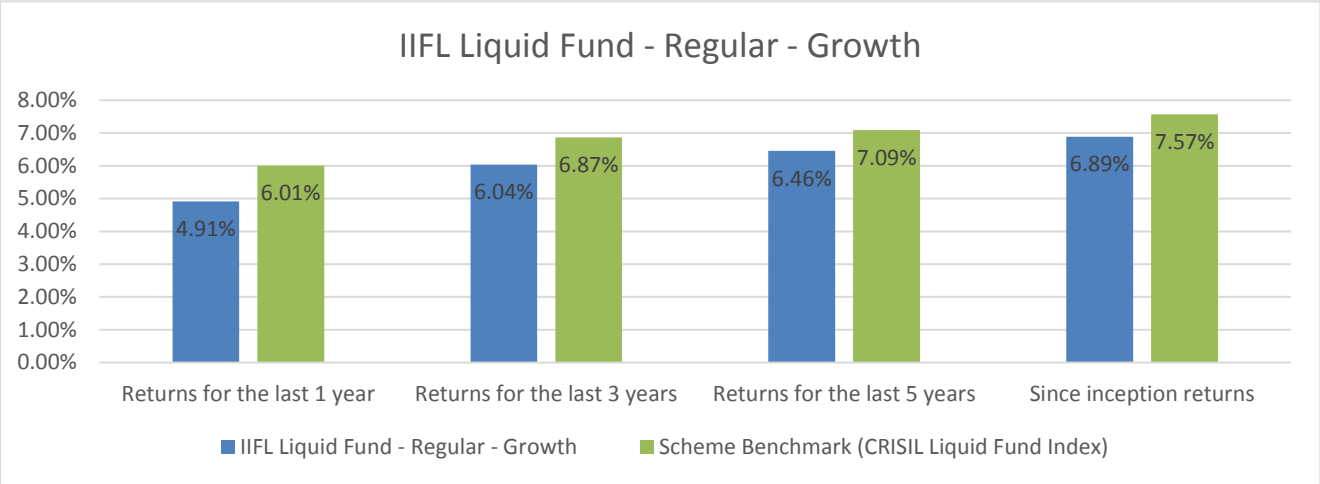
## J. SCHEME PERFORMANCE

**IIFL Liquid Fund**

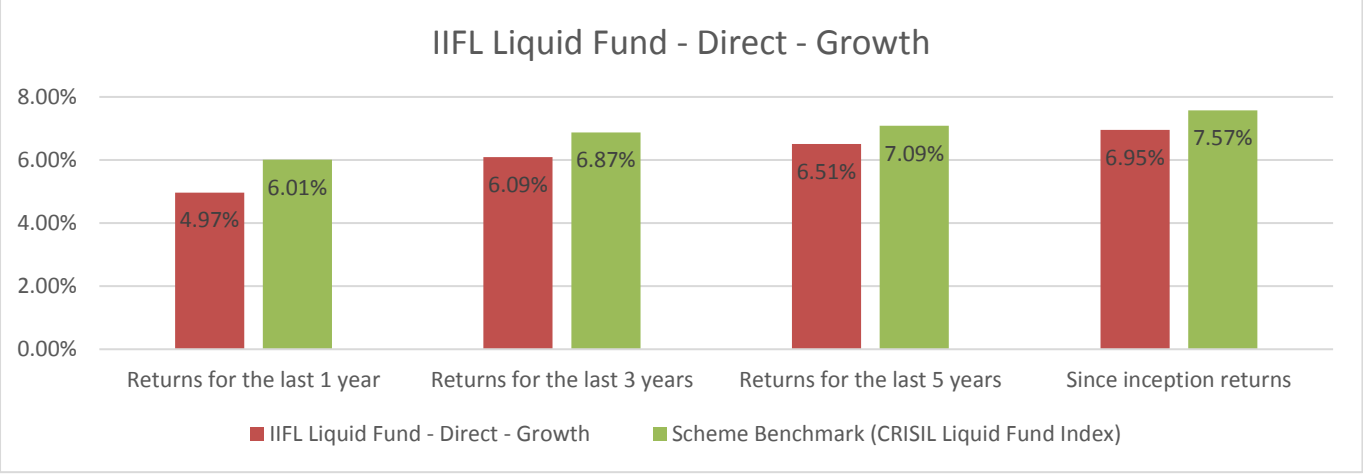
| Compounded Annual Return | Scheme Return-Regular Plan | Scheme Return-Direct Plan | Benchmark Return % |
|---|---|---|---|
| Returns for the last 1 year | 4.91% | 4.97% | 6.01% |
| Return for the last 3 Years CAGR | 6.04% | 6.09% | 6.87% |
| Return for the last 5 Years CAGR | 6.46% | 6.51% | 7.09% |
| Returns since inception* CAGR | 6.89% | 6.95% | 7.57% |

As on 31-May-2020, above 1 year CAGR Return, SI** 13 November 2013

Benchmark – Crisil Liquid Fund Index




Absolute Returns for each financial year for the last 5 years




Absolute Returns for each financial year for the last 5 years

Disclosure pursuant to SEBI Circular Dated March 18, 2016:

Top 10 Holdings (by issuer) of the Scheme as on May 31, 2020:

| Name of the issuer | % of Scheme |
|---|---|
| Clearing Corporation of India Ltd. | 45.81 |

| | |
|---|---|
| Axis Bank Limited | 10.01 |
| Small Industries Development Bank of India | 10.00 |
| Government of India | 9.96 |
| ICICI Bank Ltd | 7.99 |
| Indian Bank | 5.02 |
| HDFC Ltd | 5.00 |
| Indian Oil Corporation Ltd | 5.01 |
| Reliance Industries Ltd | 4.99 |

The complete portfolio of the scheme on monthly basis is updated at http://www.iiflmf.com/Downloads/MandatoryDisclosures/MonthlyPortfolio.aspx

Allocation of the scheme towards various Sectors:

| Sector | % to NAV |
|---|---|
| Financial Services | 5.00% |
| Oil & Gas | 10.00% |
| Other | 85.00% |

Others under sector disclosure: cash & cash equivalents/ Bank CDs/ TREPs/ G-Secs/ TBills/ short term deposits of Scheduled Commercial Banks/ AAA rated securities issued by Public Financial Institutions and Public Sector Banks.

Schemes Portfolio turnover ratio: NA

**Aggregate investment in the scheme under the following categories**

| **Sr. no.** | **Category** | **Total amount invested as on May 31, 2020 (amount in Rupees crore)** |
|---|---|---|
| 1. | AMC's Board of Directors | NIL |
| 2. | Concerned scheme's Fund Manager(s) and | NIL |
| 3. | Other key managerial personnel | NIL |

# III. UNITS AND OFFER

This section provides details you need to know for investing in the Scheme.

**A. NEW FUND OFFER (NFO):** This section does not apply to the scheme, as the ongoing offer of the scheme has commenced after the NFO, and the units are available for continuous subscription and redemption.

## B. ONGOING OFFER DETAILS

**Plans / Options offered**

**I. PLAN:**

Regular Plan and Direct Plan

a. Switch between Regular Plan and Direct Plan (i.e Switch out from Regular Plan to Direct Plan and vice-versa) shall be subject to applicable exit load.

b. The Total expenses under the Direct Plan will be comparatively lower to Total expenses under Regular Plan, due to no distribution expenses and distributor commission;

c. Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form. Investors should also indicate "Direct" in the ARN column of the application form.

Default Option would be as follows in below mentioned scenarios:

| Scenario | Broker Code mentioned by the investor | Plan mentioned by the investor | Default Plan to be captured |
|---|---|---|---|
| 1 | Not mentioned | Not mentioned | Direct Plan |
| 2 | Not mentioned | Direct | Direct Plan |
| 3 | Not mentioned | Regular | Direct Plan |
| 4 | Mentioned | Direct | Direct Plan |
| 5 | Direct | Not Mentioned | Direct Plan |
| 6 | Direct | Regular | Direct Plan |
| 7 | Mentioned | Regular | Regular Plan |
| 8 | Mentioned | Not Mentioned | Regular Plan |

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

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| | **II. OPTION:**<br><br>The Scheme has the following Options under each of the above Plans:<br><br>• Growth Option: This option is suitable for investors who are not looking for current income but who invest only with the intention of capital appreciation.<br><br>• Dividend Option: This option is suitable for investors seeking income through dividend declared by the Scheme. Under this Option, the Scheme will endeavor to declare dividends from time to time. The dividend shall be dependent on the availability of distributable surplus.<br><br>The Dividend Option has the following Facilities:<br><br>o Dividend Reinvestment Facility (available for Daily, Weekly)<br>o Dividend Pay-out Facility (available for Weekly)<br><br>In cases where the investor fails to opt for a particular Option at the time of investment, the default Option will be Growth. If the investor chooses Dividend Option and fails to mention facility / frequency then the default facility will be Reinvestment and the default frequency will be Weekly.<br>If Dividend payable under Dividend Payout option is equal to or less than Rs. 500/- then the Dividend would be compulsorily reinvested in the option of the Scheme. |
| **Ongoing Price for subscription** (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. | At Applicable NAV<br>The NAV will be calculated by rounding up to four decimal places for the Scheme.<br>Assumed NAV Rs. 11.00 per unit. Entry Load: NIL.<br>Purchase Price = NAV + (Entry Load (%) * NAV)<br>Purchase Price = 11 + (0% * 11)<br>Purchase Price = 11 + 0<br>Purchase Price = Rs. 11/- |
| **Ongoing Price for redemption** (sale)/switch out (to other schemes /plans of the mutual fund) by investors.<br>Computation of load | Assumed NAV Rs. 11.00 per unit. Exit Load: 1%<br>Sale Price = NAV – (exit load (%) * NAV)<br>Sale Price = 11 – (1%*11)<br>Sale Price = 11 – 0.11<br>Sale Price = Rs.10.89<br>Redemption Price will be calculated up to four decimal places for the Scheme.<br>If the Scheme has no Exit Load, the Redemption Price will be equal to the Applicable NAV. |

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| | Investors may note that the AMC has a right to modify the existing Load structure in any manner or introduce/ change Exit Load or a combination of Exit Load and or any other Load subject to a maximum as prescribed under the Regulations and with prospective effect only.<br>The Mutual Fund will offer that the redemption price is not lower than 93% of the applicable NAV and the difference between the repurchase price and sale price is not exceeding 7% on the sale price or as per the limit prescribed by SEBI from time to time. |
| **Dividend Policy** | **Growth Option:**<br>Under the Growth option, there will be no distribution of income and the return to investors will be only by way of capital gains, if any, through redemption at applicable NAV of Units held by them<br>**Dividend Option:**<br>Under the Dividend option, the Trustees may declare dividend subject to the availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. The actual declaration of dividend and the frequency of distribution will be entirely at the discretion of the Trustees. The dividend would be paid to the Unitholders whose names appear in the Register of Unitholders as on the record date. There is no assurance or guarantee to the Unitholders as to the rate of dividend nor that would the dividend be paid regularly. If the Scheme declares dividend, the NAV will stand reduced by the amount of dividend and dividend distribution tax (if applicable) paid. All the dividend payments shall be in accordance and compliance with SEBI Regulations, as applicable from time to time.<br>Dividend will be paid on the number of units held by the unit holder on the record date as per the records of CAMS (the Registrar) and /or as per the records maintained by depositories. The record date shall be announced by issue of notices in two newspapers 5 days in advance of the record date.<br>The dividend warrants shall be dispatched to the Unit holders within 30 days of the date of declaration of dividend. In the event of failure of despatch of dividend within the stipulated 30 day period the AMC will pay a penalty interest rate of 15% per annum for the period between the expiry of the stipulated 30 day period and the date of dispatch of dividend.<br>• In case of Unit holders having a bank account with certain banks with whom the Mutual Fund would have an arrangement from time to time, the dividend proceeds shall be directly credited to their account.<br>• The dividend will be paid by warrant and payments will be made in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund (please note that it is mandatory for the Unit holders to provide the Bank account details as per the directives of SEBI). |

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| | • Further, the dividend proceeds may be paid by way of ECS /EFT / NEFT / RTGS / any other manner through which the investor's bank account specified in the Registrar & Transfer Agent's records is credited with the dividend proceeds as per the instructions of the Unit holders.<br>In case the dividend amount is less than 500 rupees than it will be compulsorily reinvested. |
| **Allotment** | All applicants whose amount is received towards Purchase of Units have been realized will receive full and firm allotment of Units, provided the Application Forms are complete in all respects and are found to be in order. The AMC/Trustee retains the sole and absolute discretion to reject any Application Form.<br><br>The said discretion shall be used by the AMC/Trustee in various scenarios like receiving money from Third party or dubious sources or from clients of high risk jurisdictions.<br><br>The investors will receive confirmation specifying the number of Units allotted by way of electronic mail and/or SMS to the investor's registered e-mail address and/or mobile number as soon as possible but not later than five working days from the date of receipt of the application.<br><br>In case of investors opting to hold the Units in physical mode, an account statement will be sent by ordinary post/courier/secured encrypted electronic mail to each Unit Holder, stating the number of Units purchased, not later than 5 Business Days (or such number of days as may be permitted under the SEBI (MF) Regulations).<br>In case of investors opting to hold the Units in dematerialized form, an account statement could be obtained from the Depository Participants. |
| **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 Depository Participant's name, Depository Participant ID Number and the beneficiary account number of the applicant held with the Depository Participant. at the time of purchasing Units. The Account Statement will be sent to those Unit Holders who have opted to hold Units in physical (non-dematerialized) form. However, if the Unit Holder so desires to hold the Units in a dematerialized form at a later date, he will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will have to submit the account statement alongwith the prescribed request form to any of the ISCs for conversion of Units into demat form. The AMC will issue the Units in dematerialized form to the Unit holder within two Business Days from the date of receipt of such request. Units held in demat from are freely transferable |

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| **Rematerialisation of Units** | Rematerialization of Units can be carried out in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. The process for rematerialisation of Units will be as follows:<br>• Unit Holders/investors should submit a request to their respective Depository Participant for rematerialisation of Units in their beneficiary accounts.<br>• Subject to availability of sufficient balance in the Unit Holder /investor's account, the Depository Participant will generate a Rematerialisation Request Number and the request will be dispatched to the AMC/Registrar.<br>• On acceptance of request from the Depository Participant, the AMC/Registrar will dispatch the account statement to the investor and will also send electronic confirmation to the Depository Participant |
| **Who can invest**<br>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile. | The following persons (subject, wherever relevant, to purchase of units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to units:<br>• Resident Adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis.<br>• Parents/Lawful Guardian on behalf of minors.<br>• Proprietorship in the name of Sole Proprietor<br>• Karta of Hindu Undivided Family (HUF).<br>• Partnership Firms.<br>• Companies/Domestic Corporate Bodies/Societies/Association of Persons/Body of individuals/Clubs/Public Sector Undertakings registered in India if authorized and permitted to under applicable laws and regulations.<br>• Charitable or Religious Trusts authorized to invest in units of Mutual Funds.<br>• Mutual Funds registered with SEBI.<br>• Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions incorporated in or the Indian branches of banks incorporated outside India.<br>• Non-Resident Indians, persons of Indian origin residing abroad (NRIs) on full repatriation basis and on non-repatriation basis.<br>• Wakf Boards or endowments and Registered Societies (including registered co-operative societies) and private trusts authorized to invest in units.<br>• Army/Air Force/Navy/Para-military funds and other eligible institutions.<br>• Scientific and/or industrial research organizations.<br>• Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India / Reserve bank of India. |

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| | • Foreign Portfolio Investor (FPI), registered with SEBI. These investments shall be subject to the conditions prescribed by SEBI, RBI, Income Tax authorities and the AMC, from time to time.<br>• Overseas Financial Organizations which have entered into an arrangement for investment in India, inter-alia with a mutual fund registered with SEBI and which arrangement is approved by Government of India.<br>• Provident/Pension/Gratuity/Superannuation and such other retirement and employee benefit and other similar funds.<br>• Other Associations, Institutions, Bodies, etc. authorized to invest in the units.<br>Apart from the above, all other categories of investors permitted at present and in future are eligible to invest in the Scheme.<br>The list given above is indicative and the applicable law, if any, shall supersede the list.<br>Note: Minor Unit Holders, on becoming major, may inform the Registrar about attaining majority, and provide his specimen signature duly authenticated by his parent/ guardian, whose signature is registered in the records of the mutual fund/RTA (against the folio of minor unitholder)and if the parent/ guardian is unavailable or unable to attest, then by the banker as well as his details of bank account, a certified true copy of the PAN card and other documents, to enable the Registrar to update his records and allow them to operate the account in his own right.<br>All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar/AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number. |
| **Who cannot invest?** | • Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA) except otherwise explicitly permitted under FEMA Act/by RBI/by any other applicable authority.<br>• Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.<br>• NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time. |

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| | • A person who falls within the definition of the term "U.S. Person" under the Securities Act of 1933 of the United States, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes and apply for subscription to the units of the schemes, except for lump sum subscription and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by IIFL Asset Management Company Limited from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.<br>• A person who is resident of Canada<br><br>Such other persons as may be specified by AMC from time to time. |
| **Where can you submit the filled up applications** | The application form along with the instrument for payment can be submitted at the office of Registrar and Transfer Agent (CAMS)/designated offices /Investor Service Centre's (ISCs) of IIFL Asset Management Ltd. For details, please refer to the back cover page of this document. Investors can also subscribe/redeem units using exchange infrastructure in demat mode through MFSS and BSE StAR MF platform. The Mutual Fund also offers Online Transaction facility on its Website viz. www.iiflmf.com for transacting in the Units of the Mutual Fund. |
| **Listing** | The Scheme being open ended; the Units are not proposed to be listed on any stock exchange. However, the Fund may at its sole discretion list the Units on one or more stock exchanges at a later date. |
| **Cut off timing for subscriptions/ redemptions / switches**<br>**This is the time before which your application (complete in all respects) should reach the official points of acceptance** | The Applicable NAV will be as under:<br>**For Purchase / Switch-in:**<br>a) For Purchases:<br>i) In respect of valid application received up to 1.30 p.m. on a day at the official point(s) of acceptance 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 i.e. available for utilization before the cut-off time, without availing any credit facility, whether intra-day or otherwise, the closing NAV of the day immediately preceding the day of receipt of application shall be applicable; |

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| | ii) In respect of valid application received after 1.30 p.m. on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the Schemes on the same day i.e. available for utilization on the same day, without availing any credit facility, whether intra-day or otherwise, the closing NAV of the day immediately preceding the next Business Day shall be applicable; and<br>iii) Irrespective of the time of receipt of application at the official point(s) of acceptance, where the funds for the entire amount of subscription/purchase as per the application are not credited to the bank account of the Schemes before the cut-off time i.e. not available for utilization before the cut-off time, without availing any credit facility, whether intra-day or otherwise, the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable.<br><br>For allotment of units, it shall be ensured that:<br>a) For all valid applications of investment amount the application is received before the applicable cut-off time;<br>b) For all valid applications of investment amount<br>i. The application is received before the applicable cut-off time,<br>ii. 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,<br>iii. The funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.<br><br>**For Redemption/ Switch out:**<br>In respect of valid applications accepted at an Official Point of Acceptance upto 3.00 p.m. on a Business Day, the closing NAV of the day immediately preceding the next Business 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. |
| **Average AUM to be maintained** | Pursuant to SEBI circular Cir/IMD/DF/15/2014 dated June 20, 2014, the scheme shall maintain average AUM of Rs. 20 crore on an half yearly rolling basis. |
| **Where can the applications for subscription/ redemption/ switches be submitted?** | Investors can submit the application forms at AMC, ISCs, and such other collection centers as designated by the AMC where the applications shall be received. The names and addresses of the Designated Collection Centers are mentioned at the end of the SID and in the Application Form. |
| **Minimum Amount for purchase /redemption / switches in an Option of the Scheme** | First time Purchase/ Switch in – INR 5000/-<br>Additional Purchase / Switch in – INR 1000/- and in multiples of INR 100/- thereafter |

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| | ❖ Systematic Investment Plan (SIP)<br>▪ Monthly option - Rs. 1000 per month for a minimum period of six months.<br>Quarterly Option – Rs.1500 per quarter for a minimum period of 4 quarters.<br>Investments above the minimum amount mentioned, shall be made in multiples of Rs. 100 for all SIP irrespective of frequency of SIP or the Option. The minimum application amounts listed above does not apply in case of Transfers (as and when new Schemes are introduced by the Mutual Fund)<br>**Redemption**<br>The minimum amount for redemption must be Rs. 1000/- or account balance whichever is less. Investor may note that upon the processing of redemption/switch out request, if the account balance in the scheme is less than Rs. 1000/- then the same will be redeemed/switched out along with the said request.<br>**Switches**<br>The minimum amount in case of inter/ intra scheme (/inter option) switches shall be the minimum amount required in the respective transferee scheme/plan. |
| **Minimum balance to be maintained in an Option of the Scheme and consequences of non maintenance** | Investors may note that in case balance in the account of the unit holder does not cover the amount of redemption request, the Mutual Fund is authorized to close the account of such unit holder and redeem the entire balance to the unit holder.<br>Closure of Unit holder's account:<br>Investors may note that AMC at its sole discretion may close a unit holder's account under an option, if at the time of any part redemption, the value of the balance falls below Rs. 1,000 [or such other amount as AMC may decide from time to time] or where the units are held by the unit holder in breach of any Regulation.<br>However, the AMC/Trustees reserve the right to change it at any future date by giving advance notice. |
| **Special products available** | The Special Products/ facilities available during the ongoing offer are:<br>• Systematic investment Plan<br>• Systematic Transfer Plan<br>• Systematic withdrawal plan<br>• Transactions through Stock Exchange Infrastructure<br>• Switch Transactions by Fax<br>• Transactions through Electronic Mode<br>Please see the relevant sections on SIP, STP and SWP as mentioned in the document:<br>• Application through Stock Exchange Infrastructure (MFSS/ BSE StAR MF Platform: The facility enables an applicant to purchase/ redeem units through the Stock Exchange Infrastructure. Switching of units is currently not permitted under this facility. For this purpose, BSE has introduced the 'BSE |

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| | StAR MF Platform' and NSE has introduced 'Mutual Fund Service System (MFSS)'. The investors should note that the units of the scheme are not listed on the stock exchange and the same cannot be traded on the stock exchanges. All trading members of the BSE and NSE who are registered with AMFI as Mutual Fund Advisors and are empanelled with the AMC and also registered with BSE & NSE as Participants (Brokers) will be eligible to offer this facility to investors.<br>• Such brokers shall be considered as Official Points of Acceptance of the Fund. The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time. Further, in terms of SEBI Circular No. CIR/IMD/DF/17/2010 dated November 9, 2010, investors will be able to transact in Units of the Scheme through clearing members of the registered Stock Exchanges and redeem units held in demat form through the Depository Participants of registered Depositories. For further details on this facility, please refer the section on 'Facility to purchase/ redeem units of the Scheme through Stock Exchange Mechanism' in the SAI.<br>• Transactions by Fax: In order to facilitate quick processing of transaction and / or instruction of investment of investor the Mutual Fund / AMC / Trustee may (at its sole discretion and without being obliged in any manner to do so and without being responsible and /or liable in any manner whatsoever), accept and process any application, supporting documents and /or instructions submitted by an investor/ Unit holder by facsimile (Fax Submission). The Mutual Fund / AMC/ Trustee shall have no obligation to check or verify the authenticity or accuracy of fax submission purporting to have been sent by the investor and may act thereon as if same has been duly given by the investor. In all cases the investor will have to immediately submit the original documents / instruction to AMC/ Mutual Fund/ Official Points of Acceptance. For details / terms and conditions, investors are advised to refer to the SAI.<br><br>• AMC has enabled facility to transact online in units of the schemes including by way of Lumpsum Purchase/ Redemption / Switch of Units by electronic mode through website www.iiflmf.com redirecting to www.camsonline.com. The subscription proceeds, when invested through this mode, are by way of debits to the designated bank through payment gateway. The Redemption proceeds, (subject to deduction of tax at source, if any) through this mode, will be credited to the designated/registered bank account of the investors. The uniform cut off time as prescribed under the SEBI (Mutual Funds) Regulations, 1996 and as mentioned in SID and KIM of |

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| | the scheme, will be applicable for transactions received through the above electronic platform and the time of receipt of transaction recorded on the server(s) of Computer Age Management Services Limited(Registrar and Transfer Agent) will be reckoned as the time for the purpose of determining applicability of NAV, subject to credit of funds to bank account of scheme, wherever applicable. |
| **Switching** | **Inter-Scheme Switch**<br>The Transaction Slip can be used by investors to make inter-Scheme switches within the Fund. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the Scheme / option.<br><br>**Intra- Scheme Switch**<br>Investors can switch between different options under the scheme at the Applicable NAV. All valid applications for switch-out shall be treated as Redemption and for switch-in as Purchases with the respective Applicable NAVs of the option. As per current Load structure, no Entry or Exit Loads will be charged for switch between different options (i.e dividend, growth option) under respective plan. Switch between Regular Plan and Direct Plan (i.e Switch out from Regular Plan to Direct Plan and vice-versa) shall be subject to applicable exit load.<br><br>Note: For tax implications on switching, please refer to SAI under Chapter Tax & Legal & General Information. |
| **How to Apply** | Please refer to the SAI and Application form for the instructions. |
| **Redemption Process** | The redemption or repurchase proceeds shall be dispatched to the unitholders not later than 10 business days from the date of redemption or repurchase, once the scheme opens for the same. The Unit Holder has the option to request for Redemption either in amount in rupees or in number of Units. Units purchased by cheque may not be redeemed until after realization of the cheque. In case the investor mentions the number of Units as well as the amount, then the amount will be considered for processing the Redemption request. In case the investor mentions the number of units or the amount in words and figures, then the value in words will be taken for processing the Redemption request. If the redemption request amount exceeds the balance lying to the credit of the Unitholder's said account, then the fund shall redeem the entire amount lying to the credit of the Unitholder's account in that Scheme/Option.<br>If an investor has purchased Units on more than one Business Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), are deemed to have been redeemed first, i.e. on a First In First Out Basis<br>The minimum amount in rupees for Redemption shall be 1,000/- or account balance whichever is less. Investor may note that upon the |

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| | 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.<br><br>Where Units under a Scheme are held under both Regular and Direct Plan and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Regular Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan<br><br>a. Redemption through physical applications:<br>A Transaction Slip or Common Transaction Form (CTF) can be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip or Form and submitted at an ISC. Transaction Slips or the CTF can be obtained from any of the ISCs.<br>Payment of Proceeds Resident Investors:<br>Redemption proceeds will be paid to the investor through Real Time Gross Settlement (RTGS), NEFT, Direct Credit, Cheque or Demand Draft.<br>a) If investor had provided IFSC code in the application form, by default redemption proceeds shall be to be credited to Investor's account through RTGS/NEFT.<br>b) If Investor has neither provided RTGS code nor the NEFT code but have a bank account with Banks with whom the Fund would has an arrangement for Direct Credit from time to time, the proceeds will be paid through direct credit.<br>c) Incase if investor bank account does not fall in the above a to b categories, redemption proceeds will be paid by cheques/demand drafts, marked "Account Payee only" and drawn in the name of the sole holder / first-named holder (as determined<br>by the records of the Registrar).<br><br>The bank name and bank account number, as specified in the Registrar's records, will be mentioned in the cheque/demand draft. The redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post/UCP. The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.<br><br>The AMC reserves the right to change the sequence of payment from (a) to (c) without any prior notice |

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| | Note: The AMC, at its discretion at a later date, may choose to alter or add other modes of payment. The Redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post. The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar is not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.<br><br>Non-Resident Investors<br>For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:<br>(i) Repatriation Basis: When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can be remitted to the Unit Holder in foreign currency (any exchange rate fluctuation will be borne by the Unit Holder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / Non-Resident (Ordinary) Account, if desired by the Unit Holder.<br>(ii) Non Repatriation Basis: When Units have been purchased from funds held in the Unit Holder's Non-Resident (Ordinary) Account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's Non-Resident (Ordinary) account.<br>For FPIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Nonresident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations while converting the Rupee amount in foreign exchange in the case of transactions with NRIs / FPIs.<br>The proceeds may be paid by way of direct credit through which the investor's bank account specified in the Registrar's records is credited with the Redemption proceeds. The Direct Credit facility is available for specific banks with whom AMC have a tie up from time to time. Investors need to check with the AMC for an updated list of the Direct Credit Banks. Investors having bank mandates where the AMC has a Direct Credit facility will receive redemption / dividend proceeds by way of Direct Credit only and not cheques.<br><br>The Fund may make other arrangements for effecting payment of Redemption proceeds in future.<br><br>**Application through Stock Exchange Infrastructure (MFSS/ BSE StAR MF Platform**): |

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| | Investors wishing to redeem their units held in demat mode in Scheme listed on MFSS and BSE StAR MF platform, can place their redemption request with the AMFI Certified Stock Exchange Brokers by providing Depository Instruction Slip with redemption details. The AMFI Certified Stock Exchange Broker will place the redemption order in the system and will provide a confirmation slip to the investor. The redemption proceeds will be directly credited to the investor's bank account, as per the bank account details recorded with the Depository Participant.<br><br>**Application through Mutual Fund Website:**<br>AMC has enabled facility to transact online in units of the schemes including by way of Redemption of Units by electronic mode through website www.iiflmf.com redirecting to www.camsonline.com. The Redemption proceeds, (subject to deduction of tax at source, if any) through this mode, will be credited to the designated/registered bank account of the investors.<br><br>**Application through MF Utility:**<br>All financial and non-financial transactions pertaining to Schemes of IIFL Mutual Fund can be done through MFU either electronically on www.mfuonline.com as and when such a facility is made available by MFUI or physically through the authorized Points of Service ("POS") of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at www.mfuindia.com as may be updated from time to time. The Online Transaction Portal of MFU i.e. www.mfuonline.com and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC.<br><br>The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for applications received on the portal of MFUI i.e. www.mfuonline.com. However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms & conditions as stipulated by MFUI / Mutual Fund/ the AMC from time to time and any law for the time being in force. Investors are requested to note that, MFUI will allot a Common Account Number ("CAN"),a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors |

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| | are requested to visit the websites of MFUI or the AMC to download the relevant forms.<br><br>**Redemption by investors who hold Units in dematerialized form**<br>Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participant or through stock exchange platforms. |
| **Account Statements** | An applicant whose application has been accepted shall have the option of holding the units either in physical form or in dematerialised form.<br>**Units in Physical mode :-**<br>Investors opting to subscribe to / hold units in physical form, whether by way of a normal purchase or SIP / STP, will be sent, (i) by way of an e-mail and/or an sms to their registered e-mail address and or mobile number, an allotment confirmation, as soon as possible but not later than 5 Business Days from the date of acceptance of the request for subscription, and (ii) a CAS, as mentioned in 'Consolidated Account Statement (CAS)' below.<br>**Units in Demat Mode –**<br>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. |
| **Consolidated Account Statement (CAS)** | Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circulars no. Cir/ IMD/DF/16/ 2011 dated September 08, 2011, no. Cir/MRD/D9/31/2014 dated November 12, 2014, no. SEBI/HO/IMD/DF2/CIR/P/2016/42dated March 18, 2016 and no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, investors are requested to note the following regarding dispatch of account statements:<br><br>• On acceptance of an application for subscription or allotment of units (including by way of SIP, STP, switch units), an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or an SMS, within 5 Business Days from the date of receipt of the application, to the Unit holder's registered e-mail address and/or mobile number.<br>• Thereafter, the Unit Holder will be sent, on or before the 10th of the immediately succeeding month, by way of a mail / an e-mail, a CAS, containing the details of the transaction mentioned above as well as details of all other transactions effected by the Unit holder across schemes of all mutual funds during the preceding month, including his/her/its holdings at the end of the said month and details of transaction charges |

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| | paid to distributors, as applicable. Investors may note that CAS will be issued on a monthly basis to all investors in whose folios transactions have taken place during the month concerned.<br>• For the purpose of sending CAS, common investors across mutual funds shall be identified by their PAN.<br>• For those investors / unit holders who have provided an e-mail address, CAS will be sent by way of an e-mail.<br>• In case of a specific request received from a Unit holder for a separate account statement, the AMC/Fund will provide such an account statement to the Unit Holder concerned, within 5 Business Days from the receipt of the request.<br>• In the event of inability to send CAS, for any reason whatsoever, or on receipt of specific requests from unit holders/investors, the AMC will send separate account statements.<br>• In the event of a folio having more than one registered holder, the first named Unit holder will receive the CAS / account statement.<br>• For folio(s) that are not updated with PAN details, it will not be possible to e-mail / mail CAS to the Unit holders concerned. It is therefore in the interest of Unit holders to ensure that their folios are updated with their PAN details.<br>• The Consolidated Account Statement issued is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.<br>• Consolidated account statement shall be issued every half yearly (September/March), on or before 10th day of succeeding month, providing the following information: - holding at the end of the six months - The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme.<br>• Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and Service Tax (wherever applicable, as per existing rates), operating expenses, etc. The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. Such half-yearly CAS shall be issued to all MF investors, excluding those |

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| | investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository.<br>• Consolidation of account statement shall be done on the basis of Permanent Account Number (PAN). In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.<br>• If there is any transaction in any of the Demat accounts of the investor or in any of his mutual fund folios, depositories shall send the CAS within ten days from the month end. In case, there is no transaction in any of the mutual fund folios and demat accounts then CAS with holding details shall be sent to the investor on half yearly basis.<br>• In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS. In case investors have multiple accounts across the two depositories, the depository having the demat account which has been opened earlier shall be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS. In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send the account statement to the investor as specified under the regulations applicable to the depositories. The dispatch of CAS by the depositories would constitute compliance by the AMC/ the Fund with the requirement under Regulation 36(4) of SEBI (Mutual Funds) Regulations.<br>However, the AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of investor(s). |
| **Dividend** | The dividend warrants, if any shall be dispatched to the Unitholders within 30 days of the date of declaration of the dividend.<br>Dividend may also be paid to the Unitholder in any other manner viz., through ECS, Direct Credit or NEFT in to Bank account, RTGS facility offered RBI or through Banker's cheque, etc as the AMC may decide, |

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| | from time to time for the smooth and efficient functioning of the Scheme.<br><br>Please note that it is mandatory for the unitholders to provide the bank account details as per SEBI guidelines. |
| **Delay in payment of redemption/repurchase proceeds** | The AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). |
| **The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.** | Not applicable. |
| **Applicability of Stamp Duty on Mutual Fund Transactions** | Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019, notification no. G.S.R. 19 (E) dated the January 8, 2020, Notification No. G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on mutual fund transactions including switches(excluding redemptions), with effect from July 01, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including dividend reinvestment) to the unitholders would be reduced to that extent. Further eligible transfer of dematerialised units will attract a stamp duty @0.015%. |
| **Restrictions, if any, on the right to freely retain or dispose of units being offered.** | The Units of the Scheme are not transferable except units of the scheme held in demat mode. In view of the same, additions/ deletion of names will not be allowed under any folio of the Scheme. However, the said provision will not be applicable in case a person (i.e. a transferee) becomes a holder of the units by operation of law or upon enforcement of pledge, then the AMC shall subject to production of such satisfactory evidence and submission of such document, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the units of the scheme. The above provisions in respect of deletion of names will not be applicable in case of death of unit holder (in respect of joint holdings) as this is treated as transmission of units and not transfer. |
| **Right to Limit Fresh Subscription** | The Trustees reserve the right to stop fresh subscription of units.<br>The Trustees reserve the right at its sole discretion to withdraw/suspend the subscription of units in the Scheme temporarily |

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| | or indefinitely, at the time of NFO or otherwise, if it is viewed that increasing the size of the Scheme may prove detrimental to the Unit holders of the Scheme. An order to purchase the Units is not binding on and may be rejected by the AMC unless it has been confirmed in writing by the AMC. |
| **Suspension of Sale and Redemption of Units** | The Trustee may decide to temporarily suspend determination of NAV of the Scheme and consequently sale and redemption of units, in any of the following events:<br>1. When one or more stock exchanges or markets, which provide basis for valuation for a substantial portion of the assets of the Scheme are closed otherwise than for ordinary holidays.<br>2. When, as a result of political, economic or monetary events or any circumstances outside the control of the Trustee and the AMC, the disposal of the assets of the Scheme is not reasonable or would not reasonably be practicable without being detrimental to the interests of the Unit holders.<br>3. In the event of breakdown in the means of communication used for the valuation of investments of the Scheme without which the value of the securities of the Scheme cannot be accurately calculated.<br>4. During periods of extreme volatility of markets which in the opinion of the AMC are prejudicial to the interests of the Unit holders of the Scheme.<br>5. In case of natural calamities, external aggression, internal disturbances, strikes, riots and bandhs.<br>6. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar.<br>7. If so directed by SEBI.<br>In the above eventualities mentioned above the time limits indicated above, for processing of requests for purchase and redemption of units will not be applicable.<br>However, the suspension or restriction of redemption facility under the Scheme shall be made applicable only after the approval from Board of Directors of AMC and Trustee. Till the Regulations require, the approval from the Board of Directors of AMC and Trustee giving details of circumstances and justification for the proposed action will also be informed to SEBI in advance.<br><br>Right To Limit Redemptions:<br>The AMC may, in the general interest of the Unit holders of the Scheme, keeping in view the unforeseen circumstances/unsure |

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| | conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue under the Scheme/plan/option ( (or such higher percentage as the AMC may decide in any particular case). In addition, the Trustee reserves the right, in its sole discretion, to limit Redemptions with respect to any single investor/unitholder to an amount upto Rs. 10 Crore on a single Business Day. Restrictions may be imposed under the following circumstances that leads to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets.<br><br>a. Liquidity issues - When markets at large become illiquid affecting almost all securities rather than any issuer specific security.<br>b) Market failures, exchange closures - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.<br>c) Operational issues - When exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).<br><br>Under the aforesaid circumstances, the AMC / Trustee may restrict redemption for a specified period of time not exceeding 10 working days in any 90 days period. Any imposition of restriction would require specific approval of Board of AMCs and Trustees and the same should be informed to SEBI immediately. Unitholders should note that the following provisions shall be applicable when redemption requests are placed during such restricted period.<br>(i) No redemption requests upto Rs. 2 lakh shall be subject to such restriction and<br>(ii) Where redemption requests are above Rs. 2 lakh, AMCs shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction. |
| **Bank Account Details** | As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. If the Unit-holder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Fund retains the right to withhold the redemption until a proper bank mandate is furnished by the Unit-holder and the provision with respect of penal interest in such cases will not be applicable/ entertained. |

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| | Multiple Bank Account Registrations:<br>In compliance with AMFI Best Practice Guidelines Circular No.17/2010-11 dated October 22, 2010, IIFL Mutual Fund offers its investors the facility to register multiple bank accounts in their folios to receive redemption / dividend proceeds.<br>Salient features of the Multiple Bank Account Registration facility are as below:<br>• Individual and Hindu Undivided Family (HUF) investors will be allowed to register 5 bank accounts and non-individual investors will be allowed to register up to 10 bank accounts.<br>• Multiple Bank Registration Form will allow investors to do the following:<br>Part A – Registering Multiple Bank Accounts<br>Part B – Registering Default Bank Account.<br>Part C – Deleting of Registered Bank Account<br>The unit holder can choose any one of the registered bank accounts as default bank account. However, in case a unit holder does not specify the default bank account, the Fund reserves the right to designate any of the registered bank accounts as default bank account. Unit holders may also note that the registered bank accounts may also be used for verification of pay-ins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription.<br>The following documents will be required for the registration of the bank accounts:<br>A cancelled original cheque leaf or a self attested copy of the cheque leaf wherein the account number and name(s) of the account holders are printed on the face of the cheque. In case the names are not so mentioned, the customer can submit a certificate from the bank or the bank account statement or a copy of the bank pass book which contain the details of the account such as name and address of the customer, bank account number, bank branch and address, MICR and IFSC code of the branch.<br>The above documents will also be required for change in bank account mandate submitted by the investor. |
| **Cash Investments** | Pursuant to SEBI circular dated September 13, 2012 and SEBI circular dated May 22, 2014, it is permitted to accept cash transactions to the extent of Rs. 50,000/- subject to compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under and the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations and guidelines. Provided that the limit shall be applicable per investor for investments done in a |

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| | financial year across all schemes of the Mutual Fund, subject to sufficient systems and procedures in place for such acceptance. However any form of repayment either by way of redemption, dividend, etc. with respect to such cash investment shall be paid only through banking channel.<br>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. |

**a. Systematic Investment Plan (SIP)**

This facility enables investors to save and invest periodically over a longer period of time. It is a convenient way to "invest as you earn" and offers the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. SIP allows investors to invest a fixed amount of Rupees on specific dates every month or quarter by purchasing Units of the Scheme at the Purchase Price prevailing at such time. Any unit holder can avail of this facility subject to certain terms and conditions contained in the Application form. The SIP payments can be made either by issue of Post Dated Cheques or by availing the Direct Debit Facility through ECS. The minimum SIP installment amount is Rs. 1000/- per month for a minimum period of six months, in case investor has opted for monthly SIP. In case quarterly SIP option is availed, the minimum SIP Installment would be Rs. 1500/- per quarter for a minimum period of 4 quarters.

**Auto Debit through Electronic Clearing Service (ECS)/ Direct Debit:** Unit Holders investing under SIP in the Scheme will have to avail the facility of Direct Debit through Electronic Clearing Service (ECS Facility offered by RBI). Direct Debit allows an investor to instruct his bank to debit his bank account at periodic intervals for making investments in mutual fund scheme(s). However the first investment in SIP under this mode shall be by way of cheque only. For subsequent installments, investors can choose between 1st , 7th , 14th and 21st of every month / quarter for the SIP. In cases where an investor opts for SIP facility without mentioning the date of installment, 7th will be considered as the default date This facility is available in select locations as indicated on the reverse of the SIP Auto – Debit Form. The SIP request should be for a minimum of 6 months in case of monthly SIPs and 4 quarters in case of quarterly SIPs. Investor has an option to choose all four dates. There shall be a gap of at least 30 days between the date of the first and second installment in the case of a SIP initiated during the Ongoing Offer period. Please refer to the SIP Auto Debit Form for further Terms & Conditions.

**FACILITY OF NATIONAL AUTOMATED CLEARING HOUSE (NACH) PLATFORM**

In addition to existing facility available for payments through Electronic Clearing Service (ECS)/Direct Debits/ Postdated cheques/Standing Instructions for investments in SIP, the unit holders can now also make payment of SIP instalments through NACH facility. NACH is a centralized system, launched by National Payments Corporation of India (NPCI) with an aim to consolidate multiple Electronic Clearing Service (ECS) mandates. This facility will enable the unit holders of the Fund to make SIP investments through NACH by filling up the SIP Registration cum mandate form. A Unique number will be allotted to every mandate registered under NACH called as Unique Mandate Reference Number ("UMRN") which can be used for SIP

transactions. The NACH facility shall be available subject to terms and conditions contained in the SIP registration Mandate Form and as prescribed by NPCI from time to time.

The minimum SIP installment amount is Rs. 1000/- The load structure prevailing at the time of submission of the SIP application (whether fresh or extension) will apply for all the installments indicated in such application. Investors should note that an application for SIP should be submitted at any of the AMC/CAMS Investor Service Centres as listed in the application form. For applicable load on Purchases through SIP, please refer to the Section IV, Fees and Expenses, sub-section C. Load Structure.

**Micro SIP**

SIPs upto Rs. 50,000/- per year per investor i.e. aggregate of installments in a rolling 12 month period or in a financial year shall be referred to as 'Micro SIP'. For further details on Micro SIP, please refer to SAI and the SIP Application Form.

**b. Systematic Transfer Plan (STP)**

This facility enables the unitholders to switch an amount from their existing investments in a Scheme/Option of the Fund, which is available for investment at that time at periodic intervals through a one time request. The switch can be made either weekly, fortnightly or monthly. Under this facility the switch by the unit holders should be within the same account/folio number. The unitholder has to fulfill the following criteria in order to avail of the Systematic Transfer Plan –

a) A Unit Holder has to have a minimum balance of Rs. 10,000/- in a scheme

b) the minimum amount as stated in the offer document of the respective transferor scheme, whichever is higher

c) A minimum of 6 such transfers has to be submitted for the STP

The transfer will be effected by way of a switch, i.e. redemption of Units from one Scheme and investment of the proceeds thereof, in the other Scheme at the then prevailing terms of both Scheme. All transactions by way of STP shall, however, be subject to the terms (other than minimum application amount) of the target Scheme. A Unit Holder who opts for an STP has the choice of switching (i) a fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Scheme from which the transfer is sought, as detailed below:

*Fixed Amount Option*

Under this alternative, a Unit Holder may switch a fixed amount of at least Rs. 1,000/- per transaction and the 'STP Date' for the switch will be as under.

a) where a weekly STP is opted for, the STP Date shall be the 1st, 7th, 14th or 21st, as the case may be, for the period concerned

b) where a fortnightly STP is opted for, the STP Date shall be the 1st, 7th, 14th or 21st, as the case may be. For example if the investor selects 1st then the next date could be 14th or if he selects 7th then the next date could be 21st of the month

c) where a monthly STP is opted for, the STP Date shall be the 1st, 7th, 14th or 21st, as the case may be, of the month concerned.

The Units in the Scheme/Option from which the switch – out is sought will be redeemed at the Applicable NAV of the Scheme/Option on the respective dates on which such switches are sought and the new Units in the Scheme/Option to which the switch – in is sought will be created at the Applicable NAV of such Scheme/Option on the respective dates. In case the day on which the transfer is sought is a non business day for the Scheme, the same will be processed on the immediately following business day.

*Appreciation Option*

Under this option, the Unitholder can seek switch of an amount equal to the periodic appreciation on the investment. This facility is available only under monthly frequency. Under this option the Unit holder switches only proportionate number of Units, which when multiplied by the applicable NAV is, in amount terms equal to the appreciation in the investment over the last month.

The investor has to mention a "Start Date". The 'STP Date' available under this alternative are 1st, 7th, 14th or 21st of the month. The first switch will happen after one month from the start date. In case the investor purchases additional Units, the amount to be switched would be equal to the appreciation generated on such Units, provided the appreciation is atleast Rs. 1000/-. In the absence of any appreciation or appreciation less than Rs. 1000/- as mentioned above, the switch under this option will not be made for that month. The Units in the Scheme/ Option from which the switch – out is sought will be redeemed at the Applicable NAV of the Scheme/Option on the respective dates on which such switches are sought and the new Units in the Scheme/ Option to which the switch – in is sought will be allotted at the Applicable NAV of such Scheme/Option on the respective dates. In case the day on which the transfer is sought is a non-business day for the Scheme, the same will be processed on the immediately following business day.

**c. Systematic Withdrawal Plan (SWP)**

This facility enables the Unitholders to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals can be made on Monthly basis on 1st, 7th, 14th or 21st of every month or 13$^{th}$ of bi-month. The bi-monthly frequency shall be the default option for availing the SWP facility by the investor. It shall mean that if the investor does not select either of the options for the SWP facility, the bi-monthly option shall be considered as the default option along with the specified date as 13th for the investor. In case the chosen date falls on a Non-Business Day, the SWP will be processed on the immediate next Business Day. This facility is available in two options to the Unitholders:

**Fixed Option:**

Under this option, the Unitholder can seek redemption of a fixed amount of not less than Rs. 1000/- from his Unit account. In this option the withdrawals will commence from the Start Date (being one of the dates indicated above) mentioned by the Unitholder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the day on which the withdrawal is sought is a non-business day for the Scheme, the same will be processed on the immediately following business day.

**Appreciation Option:**

Under this option, the Unitholder can seek redemption of an amount equal to a periodic appreciation on the investment. The Unitholder redeems only such number of Units, which when multiplied by the Applicable NAV is, in amount terms equal to the appreciation in his investment over the last month provided the

appreciation is atleast 1000/-. In the absence of any appreciation or appreciation less than 1000/- as mentioned above, the withdrawal under this option will not be made for that month. The investor would need to indicate in his systematic withdrawal request, the commencement / start date from which the appreciation in investment value should be computed.
The withdrawal will commence after one month from the commencement / start date mentioned by the Unitholder in the application Form and can, at the investor's discretion be on 1st, 7th, 14th or 21st of the month or 13$^{th}$ of bi-month. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. In case the day on which the withdrawal is sought is a non business day for the Scheme, the same will be processed on the immediately following business day. In case the investor purchases additional Units, the withdrawal amount would include the appreciation generated on such Units as well. In the absence of any appreciation or appreciation less than Rs. 1000/-, the redemption under this option will not be made.

**Note**: Investors who avail of either SIP, SWP or STP facility can at any time opt out of the facilities or can purchase, redeem or switch outside these facilities at their convenience.

## C. PERIODIC DISCLOSURES

| | |
|---|---|
| **Net Asset Value**<br>**This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.** | IIFL Mutual Fund shall calculate the Net Asset Value of the Scheme on every business day and shall be made available by 11.00 pm of the same business day on AMFI's website (www.amfiindia.com). The NAV of the Scheme will also be updated on our website (www.iiflmf.com). Further the Mutual Fund / AMC will extend facility of sending latest available NAVs of the Scheme to the Unit holders through SMS upon receiving a specific request in this regard. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC<br>In case of delay in uploading of NAV on AMFI's website beyond 9.00 pm of the same business day. The reasons for delay would be explained to AMFI next day. If the NAVs are not available before commencement of the business hours on the following day due to any reasons, the Fund shall issue a press release providing reasons and explaining when the Fund will be able to publish the NAV. |

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| **Half yearly Disclosures:**<br>**Portfolio / Financial Results**<br>**This is list of securities where the corpus of the scheme is currently invested. The market value of these investments is also slated in portfolio disclosures** | <u>Half Yearly disclosure of Scheme's Portfolio:</u><br><br>The Mutual Fund/AMC shall disclose portfolio of the Scheme as on the last day of half year on website of Mutual Fund (www.iiflmf.com) and AMFI (www.amfiindia.com) within 10 days from the close of each half-year respectively in a user-friendly and downloadable spreadsheet format. In case of Unitholders whose e-mail addresses are registered, the Mutual Fund / AMC shall send via e-mail the half-yearly statement of Scheme portfolio within 10 days from the close of each half-year. Further, the Mutual Fund/AMC shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi every half-year, disclosing the hosting of the half-yearly statement of the Scheme portfolio on the website of the Mutual Fund (www.iiflmf.com) and on the website of AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of Scheme portfolio. The Mutual Fund/ AMC shall provide a physical copy of the statement of Scheme portfolio, without charging any cost, on specific request received from a unitholder.<br><br><u>Half Yearly disclosure of Un-Audited Financials</u>:<br>The Mutual Fund and Asset Management Company shall within one month from the close of each half year (i.e. on 31st March and on 30th September) host a soft copy of the unaudited financial results of the Scheme on the website of the Mutual Fund. Also, an advertisement disclosing the hosting of the unaudited financial results of the Scheme on the website will be published, in atleast one English daily newspaper having nationwide circulation and, in a newspaper, having wide circulation published in language of the region where the Head Office of the Mutual Fund is situated. |
| **Monthly Portfolio Disclosure** | The Mutual Fund/AMC shall disclose portfolio of the Scheme as on the last day of the month on website of Mutual Fund (www.iiflmf.com) and AMFI (www.amfiindia.com) within 10 days from the close of each month in a user-friendly and downloadable spreadsheet format. In case of Unitholders whose e-mail addresses are registered, the Mutual Fund / AMC shall send via e-mail the monthly statement of Scheme portfolio within 10 days from the close of each month. |
| **Annual Report** | The scheme wise annual report and abridged summary thereof shall be hosted on the website of the Mutual Fund (www.iiflmf.com) and |

| | |
|---|---|
| | AMFI (www.amfiindia.com) not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and link for the same will be displayed prominently on the website of the Mutual Fund (www. iiflmf.com). In case of Unit holders whose e-mail addresses are registered with the Mutual Fund, the AMC shall e-mail the annual report or an abridged summary to such unit holders. The Unitholders, whose e-mail addresses are not registered with the Mutual Fund, will have an option to opt-in to continue receiving physical copy of the scheme wise annual report or an abridged summary thereof. Mutual Fund / AMC shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi every year disclosing the hosting of the scheme wise annual report on the website of the Mutual Fund (www. iiflmf.com) and AMFI (www.amfiindia.com) and the modes such as SMS, telephone, email or written request (letter), etc. through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Physical copies of Full annual report / abridged summary thereof shall also be available for inspection at all times at the Head Office of the Mutual Fund. |
| **Associate Transactions** | Please refer to Statement of Additional Information (SAI). |
| **Taxation**<br>**The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.** | For details on taxation please refer to the clause on Taxation in the Scheme Additional Information (SAI). |
| **Jurisdiction** | The jurisdiction for any matters or disputes arising out of the scheme shall reside with the Courts in India. |
| **Investor Services** | For any enquires/ complaints/ service requests / etc. the investors may contact:<br>**i. Computer Age Management Services Ltd. (RTA)**<br>No. 178 (New No. 10), M.G. R. Salai (Formerly known as Kodambakkam High Road), Nungambakkam, Chennai – 600 034 |

| | |
|---|---|
| | Toll free no. : 1800-419-2267<br><br>**ii. IIFL Asset Management Ltd**<br>Mr. Sushil Sharma<br>IIFL Centre, 6th Floor, Kamala City, S.B. Marg, Lower Parel, Mumbai–400 013<br>Tel (91 22) 4876 51580 Fax: (91 22) 4646 4706<br>Email: service@iiflw.com<br>For verification of investor's identity, the service representatives may require personal information of the investor in order to protect confidentiality of information.<br><br>The AMC will at all times endeavour to handle transactions efficiently and to resolve any investor grievances promptly. |

### D. COMPUTATION OF NAV

NAV of units under the Scheme shall be calculated as shown below:

$$\textbf{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments + Current Assets (including accrued income) - Current Liabilities and Provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme/Plan on the Valuation Date}}$$

The NAV will be calculated up to four decimals. The first NAV will be calculated and announced not later than 5 workings days from the date of allotment in the NFO. Thereafter, the NAV shall be calculated for close of each working day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time.

# IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme.

### A. NEW FUND OFFER (NFO) EXPENSES

All expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc would be borne by the AMC and not by the Scheme.

### B. ANNUAL SCHEME 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.) | on the first Rs.500 crores | on the next Rs.250 crores of the daily net assets | on the next Rs.1,250 crores of the daily net assets | on the next Rs.3,000 crores of the daily net assets | on the next Rs.5,000 crores of the daily net assets | On the next Rs.40,000 crores of the daily net assets | On balance of the assets |
|---|---|---|---|---|---|---|---|
| % per annum | 2.00% | 1.75% | 1.50% | 1.35% | 1.25% | Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof | 0.80% |

In addition to total expense limits as mentioned above, the AMC may charge the following in terms of Regulation 52(6A) of SEBI Regulations:
a. Additional expenses not exceeding of 0.30% of daily net assets for inflows from specified cities
b. Additional expenses incurred towards different heads mentioned under Regulations 52(2) and 52(4) of SEBI Regulations, not exceeding 0.05 per cent of daily net assets of the scheme.

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** |
|---|---|
| | Up to 2.00% |
| **Investment Management and Advisory Fees** | |
| 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 | |
| *Goods and Service Tax on expenses other than investment and advisory fees | |
| *Goods and Service Tax on brokerage and transaction cost | |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6)(c)(i) & (6)(a) | Up to 2.00% |
| $ Additional expenses under regulation 52 (6A) (c) | Up to 0.05% |
| 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 expenses under Regulation 52 (6) and (6A) of SEBI Regulations, AMC may charge Goods and Service Tax on Investment Management and Advisory Fees, expenses other than Investment Management and Advisory Fees and brokerage and transaction cost as below:

a. Goods and Service Tax on Investment Management and Advisory Fees:

AMC may charge Goods and Service Tax on Investment Management and Advisory Fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A) of SEBI Regulations.

b. Goods and Service Tax on expenses other than Investment Management and Advisory Fees:

AMC may charge Goods and Service Tax on expenses other than Investment Management and Advisory Fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A) of SEBI Regulations. c.

c. Goods and Service Tax on brokerage and transaction cost:

The Goods and Service Tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of prescribed under Regulation 52 of SEBI Regulations

^ Expenses not exceeding of 0.30 % Of daily net assets, if the new inflows from retail investors from such cities as specified by the SEBI, from time to time are at least:

- 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. Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from “retail investor”

$ In terms of SEBI Circular No SEBI/HO/IMD/DF2/CIR/P/ 2018/15 dated February 02, 2018, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

The expenses under the Direct Plan will be lower than Regular Plan, due to no distribution expenses and distributor commission under Direct Plan. *The expenses under the Direct Plan will be lower than Regular Plan, due to no distribution expenses and distributor commission under Direct Plan. It is estimated that the Total Expense Ratio of Direct plan will be lower to Total Expense Ratio of Regular Plan by at least 0.02% p. a.*

**ILLUSTRATION OF IMPACT OF EXPENSE RATIO ON SCHEME’ S RETURN:**

| **Particulars** | **Regular Plan** | **Direct Plan** |
|---|---|---|

| | | |
|---|---|---|
| Amount Invested at the beginning of the year | 10,000 | 10,000 |
| Returns before Expenses | 1,500 | 1,500 |
| Expenses other than Distribution Expenses | 150 | 150 |
| Distribution Expenses | 50 | - |
| Returns after Expenses | 1,300 | 1350 |
| Value of Investment at the end of the year | 11300 | 11350 |

The purpose of the above illustration is to explain the impact of expense ratio of the scheme. Above calculation are bases on assumed NAV and Expenses. The actual NAV, expenses and return on your investment may be more or less.

**C. LOAD STRUCTURE**

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC **www.iiflmf.com** or may call at toll free no. 1800-419-2267 or your distributor.

**Entry Load:** In terms of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, no entry load will be charged on purchase / additional purchase / switch-in. The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor.

**Exit Load:** With effect from October 20, 2019

| Investor exit upon subscription | Exit load as a % of redemption proceeds |
|---|---|
| Day 1 | 0.0070% |
| Day 2 | 0.0065% |
| Day 3 | 0.0060% |
| Day 4 | 0.0055% |
| Day 5 | 0.0050% |
| Day 6 | 0.0045% |
| Day 7 onwards | 0.0000% |

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no Entry Load will be charged for Purchase/additional Purchase/Switch-in accepted by the Fund.

Transaction charge:

In terms of SEBI circular no. CIR/ IMD/ DF/ 13/ 2011 dated August 22, 2011, as amended from time to time, in case of purchases/subscriptions/new inflows only (lump sum and SIP), of Rs.10,000/ – and above per subscription; transaction charge shall be levied and be paid to the distributors/ brokers (who have opted in for charging the transaction charge based on the **'type of product'**) in respect of applications routed through them, subject to the following:

• For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs.10,000/ – and above

• Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/ – and above. In such cases the transaction charge would be recovered in maximum 3/4 successful installments.

• There shall be no transaction charge on subscription below Rs.10,000/-.

• There shall be no transaction charges on direct investments.

• There shall be no transaction charges in case of Switch, DTP, STP, SWP.

The Transaction Charge as mentioned above shall be deducted by AMC from the subscription amount of the unit holder and paid to the distributor. The balance amount shall be invested in the Scheme.

The statement of account will state the net investment i.e gross subscription less transaction charge and will state the number of units allotted against the net investment.

The upfront commission on investment made by the investor, if any, shall be paid to the AMFI registered distributor directly by the investor, based on the investor's assessment of various factors including service rendered by the distributor.

Calculation of transaction charge and balance subscription amount in case of subscription routed through distributor is explained as follows:

(In INR)

| Subscription Amount (A) | For existing investors in a Mutual Fund | | For first time investor in Mutual Funds | |
|---|---|---|---|---|
| | Transaction charge (B) | Balance Subscription Amount (A-B) | Transaction charge (C) | Balance Subscription Amount (A-C) |
| 10,000 | 100 | 9900 | 150 | 9850 |
| 9,999 | NIL | 9999 | NIL | 9999 |
| 10,00,000 | 100 | 999900 | 150 | 999850 |

Note: Balance subscription amount will be invested and Units will be allotted at applicable NAV per unit for the balance subscription amount on an on-going basis.

Units issued on reinvestment of dividends shall not be subject to exit load.

The AMC/Trustee retains the right to change / impose Exit Load, subject to SEBI Regulations. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the AMC may consider the following measures to avoid complaints from investors about investment in the scheme without knowing the loads:

(i) The addendum detailing the changes may be attached to Scheme Information Document and key information memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Document and key information memoranda already in stock.

(ii) Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.

(iii) The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load..

(iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

(v) Any other measures which the mutual funds may feel necessary.

The investor is requested to check the prevailing Load structure of the Scheme before investing. For any change in Load structure, the AMC will issue an addendum and display it on its website at www.iiflmf.com / ISCs.

The Redemption Price however, will not be lower than 93% of the NAV, and the Purchase Price will not be higher than 107% of the NAV, provided that the difference between the Redemption Price and the Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Purchase Price.

**D. Waiver of load for direct applications**

Not Applicable

## V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - Not Applicable

In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed – NIL

Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed:- NIL

Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.- None

Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.- None

**The Trustees have approved this Scheme Information Document on 18th November 2011 and have ensured that the Scheme is a new product offered by IIFL Mutual Fund and is not a minor modification of the existing Schemes.**

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For and behalf of IIFL Asset Management Limited

Sd/-

Prashasta Seth
Chief Executive Officer

Place: Mumbai
Date: June 30, 2020

## LIST OF DESIGNATED COLLECTION CENTRES

### AMC OFFICES

IIFL Asset Management Ltd (Formerly India Infoline Asset Management Company Ltd.), IIFL Centre, 6th Floor , Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

### CAMS COLLECTION CENTRES

Ahmedabad: 111- 113, 1 st Floor- Devpath Building Off C G Road Behind Lal Bungalow, Ellis Bridge, Ahmedabad Gujarat 380006. Bangalore: Trade Centre, 1st Floor45, Dikensen Road (Next to Manipal Centre), Bangalore, Karnataka, 560042. Bhubaneswar: Plot No -111, Varaha Complex Building3rd Floor, Station Square, Kharvel Nagar, Unit 3-Bhubaneswar-Orissa-751001. Chandigarh: Deepak Tower SCO 154-155, 1st Floor-Sector 17-Chandigarh-Punjab-160017. Chennai: Ground Floor No.178/10, Kodambakkam High RoadOpp. Hotel Palmgrove, Nungambakkam-Chennai-Tamilnadu-600034 Cochin: CAMS Service Center, Building Name Modayil, Door No. 39/2638 DJ, 2nd Floor 2A M.G. Road, Cochin - 682 016. Coimbatore: CAMS Service Center, No.1334, Thadagam Road, Thirumurthy Layout, R.S.Puram, Behind Venketeswara Bakery, Coimbatore-641002. Durgapur: CAMS Service Center, Plot No.3601, Nazrul Sarani, City Centre, Durgapur-713216. Goa: CAMS Service Center, Office No.103, 1st Floor, Unitech City Centre, M.G.Road, Panaji Goa, Goa-403001. Hyderabad: 208, II Floor Jade Arcade Paradise Circle, Hyderabad, Telangana, 500003. Indore: 101, Shalimar Corporate Centre8-B, South Tukogunj, Opp.Greenpark, Indore, Madhya Pradesh, 452001. Jaipur: R-7, Yudhisthir Marg C-Scheme Behind Ashok Nagar Police Station, Jaipur, Rajasthan, 302001. Kanpur: I Floor 106 to 108 City Centre Phase II, 63/ 2, The Mall Kanpur Uttarpradesh-208001. Kolkata: CAMS Service Center, 2/1, Russell Street, 2nd Floor, Kankaria Centre, Kolkata-700071. Lucknow: No. 4, 1st Floor, Centre Court Building, 3/c, 5 - Park Road, Hazratganj Lucknow, Uttarpradesh-226001. Ludhiana: U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana, Punjab, 141002. Madurai: Ist Floor, 278, North Perumal Maistry Street (Nadar Lane), Madurai, Tamilnadu, 625001. Mangalore: No. G 4 & G 5, Inland Monarch Opp. Karnataka Bank Kadri Main Road, Kadri, Mangalore, Karnataka, 575003. Mumbai: Rajabahdur Compound, Ground Floor Opp Allahabad Bank, Behind ICICI Bank30, Mumbai Samachar Marg, Fort Mumbai, Maharashtra, 400023. Nagpur: 145, Lendra, New Ramdaspeth, Nagpur, Maharashtra, 440010. New Delhi: 7-E, 4th Floor Deen Dayaal Research Institute Building Swami Ram Tirath Nagar, Near Videocon Tower Jhandewalan Extension, New Delhi, New Delhi, 110055. Patna: G-3, Ground Floor, OM Complex Near Saket Tower, SP Verma Road, Patna, Bihar, 800001. Pune: CAMS Service Center, Vartak Pride, 1st Floor, Survey No.46, City Survey No.1477, Hingne budruk, D.P.Road, Behind Dinanath mangeshkar Hospital, Karvenagar, Pune-411052. Surat: CAMS Service Center, Shop No. G-5, International Commerce Center, Nr.Kadiwala School, Majura Gate, Ring Road, Surat-395002 Vadodara: 103 Aries Complex, BPC Road, Off R.C. Dutt Road, Alkapuri, Vadodara, Gujarat, 390007. Vijayawada: 40-1-68, Rao & Ratnam Complex, Near Chennupati Petrol Pump, M.G Road, Labbipet, Vijayawada, Andhra Pradesh, 520010. Visakhapatnam: CAMS Service Centre. Door No 48-3-2, Flat No 2, 1st Floor, Sidhi Plaza, Near Visakha Library, Srinagar, Visakhapatnam- 530 016 Agra: No. 8, II Floor Maruti Tower Sanjay Place, Agra, Uttarpradesh-282002. Ajmer: AMC No. 423/30 Near Church Opp T B Hospital, Jaipur Road, Ajmer, Rajasthan, 305001. Allahabad: 30/2, A&B, Civil Lines Station Besides, Vishal Mega Mart Strachey Road, Allahabad, Uttar Pradesh-211001. Alwar: 256A, Scheme No:1, Arya Nagar, Alwar, Rajasthan, 301001. Amaravati: 81, Gulsham Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati, Maharashtra, 444601. Amritsar: SCO - 18J, 'C' Block Ranjit Avenue, Amritsar, Punjab, 143001 Anand: 101, A.P. Tower, B/H, Sardhar Gunj, Next to Nathwani Chambers, Anand Gujarat 388001. Asansol: Block – G 1st Floor, P C Chatterjee Market Complex Rambandhu Talab PO, Ushagram Asansol Westbengal Pin No 713303. Aurangabad: CAMS Service Center, 2nd Floor, Block No.D-21-D-22, Motiwala Trade Centre, Nirala Bazar, New Samarth Nagar, Opp.HDFC Bank, Aurangabad-431001. Belgaum: CAMS Service Center, Classic Complex, Block No.104, 1st Floor, Saraf Colony, Khanapur Road, Tilakwadi, Belgaum-590006. Berhampur: Kalika temple Street, Adjacent To SBI Bazar Branch, Berhampore, Dist-Ganjam-760002. Bhavnagar: 305-306, Sterling Point, Waghawadi RoadOpp. HDFC BANK, BhavnagarGujarat364002. Bhilai: CAMS Service Center, 1st Floor, Plot No.3, Block No.1, Priyadarshini Pariswar west, Behind IDBI Bank, Nehru Nagar, Bhilai-490020. Bhilwara: C/o Kodwani Associtates Shope No 211-213 2nd floor Indra Prasth Tower syam Ki Sabji Mandi Near Mukerjee Garden Bhilwara-311001 (Rajasthan). Bhopal: Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal, MadhyaPradesh462011. Bokaro: Mazzanine FloorF-4, City Centre, Sector 4, Bokaro Steel City, Bokaro, Jharkhand, 827004. Burdwan: CAMS Service Center, No.399, G T Road, 1st floor, Above exide show room,, BurdwanWestbangal713101. Calicut: 29/97G 2nd Floor, S A Arcade, Mavoor Road, Arayidathupalam, CalicutKerala-673016. Cuttack: Near Indian Overseas BankCantonment Road, Mata Math, Cuttack, Orissa, 753001. Davangere: 13, Ist Floor, Akkamahadevi Samaj ComplexChurch Road, P.J.Extension, Davangere, Karnataka, 577002. Dehradun: 204/121 Nari Shilp Mandir Marg(Ist Floor) Old Connaught Place, Chakrata Road, Dehradun, Uttarakhand, 248001. Dhanbad: Urmila Towers, Room No: 111(1st Floor) Bank More, Dhanbad, Jharkhand, 826001. Erode: 197, Seshaiyer Complex, Agraharam Street, Erode, Tamilnadu, 638001. Faridabad: B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House NIT, Faridabad, Haryana, 121001. Ghaziabad: CAMS Service Center, B-11, LGF RDC, Rajnagar, Opp Kacheri Gate No.2, Ghaziabad-201002. Gorakhpur: CAMS Service Center, Shop No.5 & 6, 3Rd Floor, Cross Road The Mall, A D Tiraha, bank Road, Gorakhpur-273001. Guntur: CAMS Service Center, Door No.6-4-28, 1st Floor, Above prestige Showroom, 4/2, Arundalpet, Guntur-522002. Gurgaon: SCO - 16, Sector - 14, First floor, Gurgaon, Haryana, 122001. Guwahati: CAMS Service Center, Piyali Phukan Road, K.C.Path, House No.1, Rehabari, Guwahati-781008. Gwalior: G-6 Global Apartment, Kailash Vihar Colony, Opp. Income Tax Office, City Centre. Gwalior Madhya Pradesh-474002. Hubli: No.204 - 205, 1st Floor' B ' Block, Kundagol ComplexOpp. Court, Club Road, Hubli, Karnataka, 580029. Jabalpur: 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur, MadhyaPradesh, 482001. Jalandhar: 367/8, Central TownOpp.Gurudwara, Diwan Asthan, Jalandhar, Punjab-144001. Jalgaon: Rustomji Infotech Services70, NavipethOpp. Old Bus StandJalgaon, Maharashtra, 425001. Jamnagar: 207, Manek Centre, P N Marg, Jamnagar, Gujarat, 361001. Jamshedpur: Millennium Tower, "R" RoadRoom No:15 First Floor, Bistupur, Jamshedpur, Jharkhand, 831001. Jodhpur: 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur, Rajasthan, 342003. Kolhapur: 2 B, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur, Maharashtra, 416001. Kota: B-33 'Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota, Rajasthan, 324007. Kottayam: CAMS Service Center, 1307 B, Puthenparambil Building, KSACS Road, Opp. ESIC office, Behind Malayala Manorama, Muttambalam P OKottayam-686501. Meerut: 108 Ist Floor Shivam Plaza, Opp: Eves Cinema, Hapur Road, Meerut, Uttarpradesh, 250002. Moradabad: H 21-22, Ist Floor. Ram Ganga Vihar Shopping Complex, . Opposite Sale Tax Office, . Moradabad-244001. Muzaffarpur: Brahman Toli, DurgasthanGola Road, Muzaffarpur, Bihar, 842001. Mysore: No.1, 1st Floor, CH.26 7th Main, 5th Cross (Above Trishakthi Medicals), Saraswati Puram, Mysore, Karnataka, 570009. Nasik: CAMS Service Center, 1st Floor, "Shraddha Niketan", Tilak Wadi, Opp Hotel City Pride, Sharanpur Road, Nasik-422002. Nellore: 97/56, I Floor, Immadisetty TowersRanganayakulapet Road, Santhapet, Nellore, AndhraPradesh, 524001. Panipat: SCO 83-84, First Floor, Devi Lal Shopping Complex, Opp RBL Bank, G.T.Road, Panipat, Haryana, 132103. Patiala: CAMS Service Center, No.35 New Lal Bagh, Opp.Polo Ground, Patiala-147001. Pondicherry: S-8, 100, Jawaharlal Nehru Street(New Complex, Opp. Indian Coffee House), Pondicherry, Pondicherry, 605001. Raipur: HIG, C-23 Sector - 1Devendra Nagar, Raipur, Chattisgarh, 492004. Rajahmundry: Door No: 6-2-12, 1st Floor, Rajeswari Nilayam, Near Vamsikrishna Hospital, Nyapathi Vari Street, T Nagar, Rajahmundry, AndhraPradesh, 533101. Rajkot: Office 207 - 210, Everest BuildingHarihar ChowkOpp Shastri Maidan, Limda Chowk, Rajkot, Gujarat, 360001. Ranchi: 4, HB RoadNo: 206, 2nd Floor Shri Lok ComplexH B Road Near Firayalal, Ranchi, Jharkhand, 834001. Rourkela: CAMS Service Center, 2nd Floor, J B S Market Complex, Udit Nagar, Rourkela-769012. Salem: No.2, I Floor Vivekananda Street, New Fairlands, Salem, Tamilnadu, 636016. Sambalpur: C/o Raj Tibrewal & AssociatesOpp.Town High School, Sansarak Sambalpur, Orissa, 768001. Siliguri: CAMS Service Center, No.78, Haren Mukherjee Road, 1st Floor, Beside SBI Hakimpara, Siliguri-734001. Tirupur: 1(1), Binny Compound, II Street, Kumaran Road, Tirupur, Tamilnadu, 641601. Tirunelveli: CAMS Service Center, No.F4, Magnam Suraksaa Apatments, Tiruvananthapuram Road, Tirunelveli-627002. Trichur: Room No. 26 & 27Dee Pee Plaza, Kokkalai, Trichur, Kerala, 680001. Trichy: No 8, I Floor, 8th Cross West Extn, Thillainagar, Trichy, Tamilnadu, 620018. Trivandrum: R S Complex, Opp of LIC Building, Pattom PO, Trivandrum, Kerala, 695004. Udaipur: CAMS Service Center, No.32, Ahinsapuri, Fatehpura Circle, Udaipur-313001. Valsad: 3rd floor, Gita Nivas, opp Head Post Office, Halar Cross LaneValsad, Gujarat, 396001. Varanasi: Office no 1, Second floor, Bhawani Market, Building No. D-58/2-A1, Rathyatra Beside Kuber Complex, Varanasi, Uttarpradesh-221010. Vellore: CAMS Service Center, AKT Complex, 2nd Floor, No.1, 3, New Sankaranpalayam Road Tolgate, Vellore-632001. Warangal: Hno. 2-4-641, F-7, 1st Floor, A.B.K Mall, Old Bus Depot Road, Ramnagar, Hanamkonda, Warangal.Telangana- 506001. Balasore: B C Sen Road, Balasore, Orissa, 756001. Jammu: JRDS Heights, Lane Opp. S&S Computers Near RBI Building, Sector 14, Nanak Nagar Jammu, Jammu &Kashmir, 180004. Ballari: CAMS Service Center, No.18/47/A, Govind Nilaya, Ward No.20, Sangankal Moka Road, Gandhinagar, Ballari-583102. Navsari: CAMS Service Center, 214-215, 2nd floor, Shivani Park, . Opp.Shankheswar Complex, Kaliawadi, Navsari –396445, Gujarat. Rohtak: CAMS Service Center, SCO 06, Ground Floor, MR Complex, Near Sonipat Stand Delhi Road, Rohtak-124001. Tirupati: Shop No: 6, Door No: 19-10-8, (Opp to Passport Office), AIR Bypass Road, Tirupati-517501, AndhraPradesh. Kalyani: CAMS Service Center, A-1/50, Block A, Kalyani, Dist Nadia, Westbengal-741235. Bhuj: CAMS Service Center, Office No.4-5, First Floor, RTO Relocation Commercial Complex-B, Opp.Fire Station, Near RTO Circle, Bhuj-Kutch-370001. Solapur: Flat No 109, 1st FloorA Wing, Kalyani Tower126 Siddheshwar Peth, Near Pangal High SchoolSolapur, Maharashtra, 413001. Junagadh: "Aastha Plus", 202-A, 2nd FloorSardarbag Road, Nr. AlkapuriOpp. Zansi Rani Statue. Junagadh Gujarat-362001. Ankleshwar: Shop No - F -56First Floor, Omkar ComplexOpp Old Colony, Nr Valia Char Rasta, GIDC, Ankleshwar, Gujarat, 393002. Kollam: Kochupilamoodu Junction, Near VLC, Beach Road, Kollam, Kerala, 691001. Jhansi: No.372/18D, 1st Floor Above IDBI Bank, Beside V-Mart, Near RAKSHAN, Gwalior Road, Jhansi-284001. Aligarh: City Enclave, Opp. Kumar Nursing Home Ramghat Road Aligarh Uttarpradesh-202001. Satara: 117 / A / 3 / 22, Shukrawar Peth, Sargam Apartment, Satara, Maharashtra, 415002. Kumbakonam: Jailani Complex47, Mutt Street, Kumbakonam, Tamilnadu, 612001. Bhagalpur: Krishna, I Floor, Near Mahadev Cinema, Dr.R.P.Road, Bhagalpur, Bihar, 812002. Bareilly: CAMS Service Center, D-61, Butler Plaza Commercial Complex Civil Lines Bareilly Uttarpradesh-243001. Akola: Opp. RLT Science CollegeCivil Lines, Akola, Maharashtra, 444001. Yamuna Nagar: 124-B/R, Model TownYamunanagar, Yamuna Nagar, Haryana, 135001. Deoghar: S S M Jalan RoadGround floorOpp. Hotel Ashoke, Caster Town, Deoghar, Jharkhand, 814112. Karimnagar: HNo.7-1-257, Upstairs S B H mangammathota, Karimnagar, Telangana, 505001. Kadapa: Bandi Subbaramaiah Complex, D.No:3/1718, Shop No: 8, Raja Reddy Street, Kadapa, AndhraPradesh, 516001. Shimla: I Floor, Opp. Panchayat Bhawan Main gateBus stand, Shimla, HimachalPradesh, 171001. Kannur: Room No.PP.14/435Casa Marina Shopping CentreTalap, Kannur, Kerala, 670004. Mehsana: 1st Floor, Subhadra ComplexUrban Bank RoadMehsana, Gujarat, 384002. Hazaribag: Municipal MarketAnnanda Chowk, Hazaribag, Jharkhand, 825301. Anantapur: 15-570-33, I FloorPallavi Towers, Subash RoadOpp:Canara Bank, Anantapur, AndhraPradesh, 515001. Kurnool: CAMS Service Center, Shop No.26 and 27, Door No.39/265A and 39/265B, Second Floor, Skanda Shopping Mall, Old Chad Talkies, Vaddageri, 39th, Kurnool-518001. Hisar: CAMS Service Center, No-12, Opp. HDFC Bank, Red Square Market, Hisar, Haryana, 125001. Sri Ganganagar: 18 L BlockSri Ganganagar, Rajasthan, 335001. Bhatinda: 2907 GH, GT Road, Near Zila Parishad, Bhatinda, Punjab, 151001. Shimoga: No.65 1st FloorKishnappa Compound1st Cross, Hosmane Extn, Shimoga, Karnataka, 577201. Palakkad: 10 / 688, Sreedevi Residency, Mettupalayam Street, Palakkad, Kerala, 678001. Margao: CAMS Service Center, F4-Classic Heritage, Near Axis Bank, Opp.BPS Club, Pajifond, Margao, Goa-403601. Karur: 126 G, V.P.Towers, Kovai Road, Basement of Axis BankKarur, Tamilnadu, 639002. Bikaner: Behind rajasthan patrika In front of vijaya bank 1404, amar singh pura Bikaner.334001. Kakinada: CAMS Service Center, D No.25-4-29, 1St floor, Kommireddy vari street, Beside Warf Road, Opp swathi medicals, Kakinada-533001. Bilaspur: CAMS Service Center, Shop No.B-104, First Floor, Narayan Plaza, Link Road, Bilaspur(C.G)-495001. Vapi: 208, 2nd Floor HEENA ARCADE, Opp. Tirupati TowerNear G.I.D.C. Char Rasta, Vapi, Gujarat, 396195. Ambala: CAMS Service Center, shop no 48, opp peer, Bal Bhawan Road, Ambala City, Haryana. Agartala: Advisor Chowmuhani (Ground Floor), KrishnanagarAgartala, Tripura, 799001. Saharanpur: I Floor, Krishna ComplexOpp. Hathi GateCourt Road, Saharanpur, Uttarpradesh, 247001. Kharagpur: CAMS Service Center, "Silver Palace" OT Road, Inda-Kharagpur, G-P-Barakola, P.S.Kharagpur Local, Dist West Midnapore-721305. Tiruvalla: CAMS Service Center, 1st Floor, Room No-61(63), International shopping Mall, Opp.ST Thomas Evangelical Church, Above Thomsan Bakery, Manjady, Thiruvalla-689105. Alleppey: Doctor's Tower Building, Door No. 14/2562, 1st floor, North of Iorn Bridge, Near Hotel Arcadia Regency, . AlleppeyKerala, 688001. Noida: CAMS Service Center, E-3, Ground Floor, Sector 3, Near Fresh Food factory, Noida-201301. Thane: CAMS Service Center, Dev Corpora, 1st Floor, Office No.102, Cadbury Junction, Eastern Express Way, Thane-400601. Andheri: CAMS Pvt Ltd, No.351, Icon, 501, 5th Floor, Western Express Highway, Andheri East, Mumbai-400069. Sangli: Jiveshwar Krupa BldgShop. NO.2, Ground Floor, Tilak ChowkHarbhat Road, Sangli, Maharashtra-416416. Jalna: Shop No 6, Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, Jalna, Maharashtra, 431203. Ghatkopar: CAMS Service Center, Platinum Mall, Office No.307, 3rd Floor, Jawahar Road, Ghatkopar East, Mumbai-400077. Borivali: CAMS PVT LTD, Hirji Heritage, 4th Floor, Office No.402, L.T.Road, Borivali, Mumbai-400092. Vashi: CAMS Service Center, BSEL Tech Park, B-505, Plot No.39/5 & 39/5A, Sector 30A, Opp.Vashi Railway StationmVashi, Navi Mumbai-400705. Pitampura: CAMS Service Center, Aggarwal Cyber Plaza-II, Commercial Unit No-371, 3rd Floor, Plot No C-7, Netaji Subhash Palace, Pitampura-110034. Tambaram: CAMS Service Center, 3rd Floor, B R Complex, No.66, Door No.11A, Ramakrishna Iyer Street, Opp.National Cinema Theatre, West Tambaram, Chennai-600045. Janakpuri: CAMS Service Center, No.306, 3Rd Floor, DDA-2 Building, District Center, Janakpuri, New Delhi-110058. Bangalore(Wilson Garden): CAMS Service Center, First Floor, No.17/1, -(272) 12Th Cross Road, Wilson Garden, Bangalore-560027. Bharuch: CAMS Service Center, A-111, First Floor, R K Casta, Behind Patel Super Market, Station Road, Bharuch-392001. Karnal (Parent :Panipat TP): No.29, Avtar Colony, Behind vishal mega mart, Karnal-132001. Mapusa (Parent ISC : Goa): Office No 503, Buildmore Business Park, New Canca By Pass Road, Ximer, MapusaGoa, 403507. Nadiad: F 134, First Floor, Ghantakarna Complex Gunj Bazar, Nadiad, Gujarat, 387001. Bhusawal (Parent: Jalgaon TP): 3, Adelade Apartment, Christain Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal, Maharashtra, 425201. Gondal (Parent Rajkot): A/177, Kailash Complex Opp. Khedut Decor Gondal, Gujarat, 360311. Vasco(Parent Goa): No DU 8, Upper Ground Floor, Behind Techoclean Clinic, Suvidha Complex Near ICICI Bank, Vasco, Goa, 403802. New Delhi-CC: Flat no.512, Narian Manzil, 23 Barakhamba Road Connaught Place, NewDelhi, 110001. Kolkata-CC (Kolkata Central): 2A, Ganesh Chandra AvenueRoom, No.3A, Commerce House"(4th Floor), Kolkata, Westbangal 700013. Chennai-Satelite ISC: No.158, Rayala Tower-1, Anna salai, Chennai-600002. Ahmednagar: CAMS Service Center, Office No.3.1st Floor, Shree Parvati, Plot No.1/175, Opp. Mauli Sabhagruh, Zopadi Canteen, Savedi, Ahmednagar-414003. Basti: CAMS C/O Rajesh Mahadev & CO SHOP NO 3, 1st Floor. Jamia Comlex Station Road. BASTI PIN 272002. Chhindwara: CAMS Service Center, 2nd Floor, Parasia Road, Near Surya Lodge, Sood Complex, Above Nagpur CT Scan, Chhindwara, MadhyaPradesh 480001. Chittorgarh: 3, Ashok Nagar, Near Heera Vatika, Chittorgarh, Rajasthan 312001. Darbhanga: Ground Floor, Belbhadrapur, Near Sahara Office, Laheriasarai Tower Chowk, Laheriasarai, Darbhanga- 846001.. Dharmapuri: 16A/63A, Pidamaneri Road, Near Indoor Stadium, Dharmapuri, Tamilnadu 636701. Dhule: House No 3140, Opp Liberty Furniture, Jamnalal Bajaj Road, Near Tower Garden, Dhule, Maharashtra 424001. Faizabad: CAMS Service Center, 1/13/196, A, Civil Lines, Behind Tripati Hotel, Faizabad, Uttarpradesh-224001. Gandhidham: CAMS Service Center, Office No.4, Ground Floor, Ratnakala Arcade, Plot No.231, Ward-12B, Gandhidham-370201. Gulbarga: Pal Complex, Ist Floor, Opp. City Bus Stop, SuperMarket, Gulbarga, Karnataka 585101. Haldia: 1st Floor, New Market Complex, Durgachak Post Office,, Durgachak, Haldia, Westbangal 721602. Haldwani: Durga City Centre, Nainital Road, Haldwani, Uttarakhand-263139. Himmatnagar: D-78, First Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar, Gujarat 383001. Hoshiarpur: Near Archies Gallery, Shimla Pahari Chowk, Hoshiarpur, Punjab 146001. Hosur: CAMS Service Center, Survey No.25/204, Attibele Road, HCF Post, Mathigiri, Above Time Kids School, Oppsite To Kuttys Frozen Foods, Hosur-635110. Jaunpur: 248, Fort Road Near Amber Hotel, Jaunpur Uttarpradesh-222001. Katni: 1st Floor, Gurunanak dharmakanta, Jabalpur Road, Bargawan, Katni, MadhyaPradesh 483501. Khammam: Shop No: 11 - 2 - 31/3, 1st floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam, Telangana 507001. Malda: Daxhinapan Abasan, Opp Lane of Hotel Kalinga, SM Pally, Malda, Westbangal 732101. Manipal: CAMS Service Center, Shop No-A2, Basement floor, Academy Tower, Opposite Corporation Bank, Manipal, Karnataka 576104. Mathura: 159/160 Vikas Bazar Mathura Uttarpradesh-281001. Moga: Gandhi Road, Opp Union Bank of India, Moga, Punjab 142001. Namakkal: 156A / 1, First Floor, Lakshmi Vilas BuildingOpp. To District Registrar Office, Trichy Road, Namakkal, Tamilnadu 637001. Palanpur: CAMS Service Center, Gopal Trade center, Shop No.13-14, 3Rd Floor, Nr.BK Mercantile bank, Opp.Old Gunj, Palanpur-385001. Rae Bareli: 17, Anand Nagar Complex Opposite Moti Lal Nehru Stadium SAI Hostel Jail Road Rae Bareilly Uttar pradesh -229001. Rajapalayam: No 59 A/1, Railway Feeder Road(Near Railway Station)RajapalayamTamilnadu626117. Ratlam: Dafria & Co, No.18, Ram Bagh, Near Scholar's School, Ratlam, MadhyaPradesh 457001. Ratnagiri: CAMS Service Center, Orchid Tower, Gr Floor, Gala No.06, S.V.No.301/Paiki 1/2, Nachane Municiple Aat, Arogya Mandir, Nachane Link Road, At, Post, Tal.Ratnagiri Dist.Ratnagiri-415612. Roorkee: 22, Civil Lines, Ground Floor, Hotel Krish Residency, Roorkee, Uttarakhand 247667. Sagar: Opp. Somani Automobile, s Bhagwanganj Sagar, MadhyaPradesh 470002. Shahjahanpur: Bijlipura, Near Old Distt Hospital, Jail Road, Shahjahanpur Uttarpradesh-242001. Sirsa: M G Complex, Bhawna marg, Beside Over Bridge, Sirsa Haryana, 125055. Sitapur: Arya Nagar Near Arya Kanya School Sitapur Uttarpradesh-261001. Solan: 1st Floor, Above Sharma General Store, Near Sanki Rest house, The Mall, Solan, HimachalPradesh 173212. Srikakulam: Door No 4—4-96, First Floor.Vijaya Ganapathi Temple Back Side, Nanubala Street, Srikakulam, AndhraPradesh 532001. Sultanpur: 967, Civil Lines Near Pant Stadium Sultanpur Uttarpradesh-228001. Surendranagar: 2 M I Park, Near Commerce College, Wadhwan City, Surendranagar Gujarat 363035. Tinsukia: CAMS Transaction Point, Bhowal Complex Ground Floor, Near Dena Bank, Rongagora Road PO / Dist - Tinsukia Assam PIN -786 125. Tuticorin: 4B/A16, Mangal Mall Complex, Ground Floor, Mani Nagar, TuticorinTamilnadu628003. Ujjain: 123, 1st Floor, Siddhi Vinanyaka Trade Centre, Saheed Park, UjjainMadhyaPradesh456010. Yavatmal: Pushpam, Tilakwadi, Opp. Dr. Shrotri Hospital, Yavatmal, Maharashtra 445001. Kukatpally: CAMS Service Center, No.15-31-2M-1/4, 1st floor, 14-A, MIG, KPHB colony, Kutkapally, Hyderabad-500072.

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