

NOTICE

Notice is hereby given that Trustees of IDFC Mutual Fund have decided to declare dividend under dividend option of IDFC Arbitrage Fund (IDFC-AF)-Plan A & Plan B.

Scheme / Plan / Option	Dividend (Rs. Per unit) (subject to availability of distributable surplus)	NAV of Dividend Option (as on July 6, 2009)
IDFC Arbitrage Fund (IDFC-AF) (Dividend Option) - Plan A & Plan B	Rs. 0.04 per unit	Plan A – Rs. 10.2946 Plan B – Rs. 10.4397

The Record date for the purpose of declaring dividend has been fixed as July 13, 2009 for the scheme. All investors whose names appear in the register of unit holders as on the close of July 13, 2009 will receive dividend. **Pursuant to the payment of dividend, NAV of the scheme will fall to the extent of payout and statutory levy (if any).**

Risk Factors: Mutual Funds and securities investments are subject to market risks, reinvestment risk, changes in political, economic environment and government policy and there is no assurance or guarantee that the objectives of the Scheme will be achieved. The NAV of the Scheme can go up or down depending on factors and forces affecting the Securities Market. Past performance of the Sponsor/AMC/Mutual Fund is not necessarily indicative of the future performance of the Scheme and may not necessarily provide a basis for comparison with other investments. IDFC Arbitrage Fund (IDFC-AF) is the name of the scheme and do not in any manner indicate either the quality of the Schemes, their future prospects or returns. The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Scheme beyond the corpus of the Trust of Rs. 30,000/- Investors in the scheme are not being offered any guaranteed or assured rate of return. Scheme specific risk: The scheme proposes to invest in equity and equity related instruments which by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. **Investment Objective:** (IDFC-AF) - The investment objective of the Scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunity in the cash and the derivative segments of the equity markets and the arbitrage opportunity available within the derivative segments and by investing the balance in debt and money market instruments. However there is no assurance that the investment objective of the scheme will be realized. **Statutory Details:** IDFC Mutual Fund has been set up as a trust by Infrastructure Development Finance Company Limited (IDFC) (liability restricted to corpus of Trust of Rs. 30,000/-) with IDFC AMC Trustee Company Limited (Company with limited liability) as the trustee and IDFC Asset Management Company Limited as the investment manager. Copy of Offer Document / Scheme Information Document / Statement of Additional Information and Key Information Memorandum along with application form may be obtained from the office of IDFC Mutual Fund, One India Bulls Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013. Contact 1-800-226622 for details.

For other scheme specific risk factors and other details please read the Offer Document/Scheme Information Document/Statement of Additional Information carefully before investing.