

**Notice - Cum - Addendum No. 26 of 2015**

NOTICE is hereby given of the following changes to the schemes of IDFC Mutual Fund.

➤ **Addendum to the Statement of Additional Information (SAI) of IDFC Mutual Fund and Scheme Information Documents (SID) and Key Information Memorandum (KIM) of all open-ended schemes of IDFC Mutual Fund**

**Revision in Transactions through stock exchange mechanism facility:**

SEBI, vide its Circulars dated October 4, 2013 and December 9, 2014, has permitted Mutual Fund Distributors (MF Distributors) to use recognised Stock Exchange infrastructure to purchase/redeem units directly from Mutual Fund/AMC on behalf of their clients.

Following guideline shall be applicable for transactions executed through MF Distributors through the Stock Exchange Mechanism:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase and redeem mutual fund units (Demat / Non Demat) on behalf of their clients, directly from IDFC Mutual Fund (IDFC MF).
2. MF distributors shall not handle pay out/pay in of funds as well as units on behalf of investor.
3. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account/Folio of investors in case of Demat/Non-demat transactions respectively.

➤ **Addendum to the Scheme Information Documents (SID) and Key Information Memorandum (KIM) of all schemes of IDFC Mutual Fund**

**I. Consolidated Account Statement for all Securities**

SEBI vide its circular no. CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in demat form with Depositories, has required Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts.

In view of the aforesaid requirement, for investors who hold demat account, for transactions in the schemes of IDFC Mutual Fund on or after February 1, 2015, a Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.

Consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios and demat accounts there have been no transactions during that period.

Consolidated account statement sent by Depositories 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 transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories.

Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.

For Unit Holders who have provided an e-mail address to the Mutual Fund or in KYC records, the CAS will be sent by e-mail. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.

Investors who do not wish to receive CAS sent by depositories have an option to indicate their negative consent. Such investors may contact the depositories to opt out.

Investors who do not hold demat account will continue to receive Consolidated Account Statement sent by RTA/AMC, based on the PAN, covering transactions across all mutual funds as per the current practice.

**II. Investment by Foreign Portfolio Investors**

Foreign Portfolio Investors (FPIs) duly registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be eligible to invest in the schemes of IDFC Mutual Fund, except IDFC Cash Fund subject to the provisions of their respective constitutions and applicable statutory provisions.

Further, all references to Foreign Institutional Investors (FII) and Qualified foreign Investors (QFI) in the SID and KIM stand deleted.

All the other terms and conditions of the SAI and the respective SID and KIM except as specifically modified herein above shall remain unchanged.

**This Notice-Cum-Addendum forms an integral part of the Statement of Additional Information (SAI) of IDFC Mutual Fund and the Scheme Information Document (SID) and Key Information Memorandum (KIM) of the respective Scheme(s) read with the addenda issued from time to time.**

Date: April 07, 2015

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**