

## Notice - Cum - Addendum No. 12 of 2017

### Addendum to the Statement of Additional Information of IDFC Mutual Fund

IDFC Ltd. and Natixis Global Asset Management (“NGAM”) have mutually agreed that Natixis Global Asset Management Asia Pte. Ltd., Singapore shall exit the joint venture between them. Accordingly, it is proposed to transfer the entire shareholding of Natixis Global Asset Management Asia Pte. Ltd., Singapore in IDFC Asset Management Company Limited (“IDFC AMC”) and IDFC AMC Trustee Company Limited (“Trustee Company”) to IDFC Financial Holding Company Limited, subject to obtaining all regulatory/statutory approvals as required.

Consequently, the following changes shall be carried out to the Statement of Additional Information of IDFC Mutual Fund (“SAI”) effective March 20, 2017:

• **Change in Shareholding Pattern of IDFC AMC Trustee Company Ltd.**

The following paragraph will be inserted under the heading **Information about Sponsor, AMC and Trustee Companies** in the **Section C - The Trustee**:

IDFC Financial Holding Company Limited has acquired the entire shareholding of Natixis Global Asset Management Asia Pte. Ltd., Singapore in the Trustee Company. IDFC Financial Holding Company Limited, a Non-Operative Financial Holding Company (NOFHC) is a wholly owned subsidiary of IDFC Ltd., the Sponsor of IDFC Mutual Fund.

Consequent to the transfer of shares, the revised shareholding pattern of the Company stands as follows:

Shareholder	Percentage
IDFC Financial Holding Co. Ltd./its Nominees	100%

• **Change in Shareholding Pattern of IDFC Asset Management Company Ltd.**

The following paragraph will be inserted under the heading **Information about Sponsor, AMC and Trustee Companies** in the **Section D - Asset Management Company**:

IDFC Financial Holding Company Limited has acquired the entire shareholding of Natix is Global Asset Management Asia Pte. Ltd., Singapore in IDFC AMC. IDFC Financial Holding Company Limited, a Non-Operative Financial Holding Company (NOFHC) is a wholly owned subsidiary of IDFC Ltd., the Sponsor of IDFC Mutual Fund.

Consequent to the transfer of shares, the revised shareholding pattern of the Company stands as follows:

Shareholder	Percentage
IDFC Financial Holding Co. Ltd./its Nominees	100%

• **Change in directorship**

Mr. Geoffroy Sartorius ceases to be the Director of the Trustee Company and Mr Eric Ward ceases to be the Director of IDFC AMC.

- Accordingly, all references to Natixis / NGAM, Mr. Geoffroy Sartorius and Mr Eric Ward in the SAI shall stand deleted.

Please note that IDFC Ltd. continues to remain the sponsor of IDFC Mutual Fund.

The change in shareholding pattern of IDFC AMC being a change in controlling interest of the Company, in terms of regulation 22(e)(ii) of SEBI (Mutual Funds) Regulations, 1996, investors in the schemes of IDFC Mutual Fund are given an option to exit (redeem / switch-out) at the prevailing Net Asset Value without any exit load, in case they do not wish to continue in the schemes in view of the proposed change in shareholding. The period of this no load exit offer is valid for a period of 30 days from March 16, 2017 to April 17, 2017 (up to 3:00 pm on April 17, 2017) (both days inclusive). The normal redemption / switch request form may be used for this purpose and submitted at any of the Offices of the AMC or the CAMS Investor Service Centres (Points of Service).

It may be noted that the offer to exit is merely an option and is not compulsory.

The option to redeem without exit load during the Exit Option Period can be exercised in the following manner:

- (a) For units held in schemes/ plans other than IDFC Fixed Term Plans, IDFC Yearly Series Interval Funds and Exchange Traded Funds:

Unit holders can submit redemption request on any business day at any of the Points of Service. In case of units held in electronic (demat) form, the redemption request needs to be submitted to the depository participant. The redemption requests received will be processed at the prevailing NAV as per the provisions contained in the Scheme Information Documents without any exit load.

The instruments for redemption proceeds will be dispatched to the unitholders or redemption proceeds will be electronically credited to the bank account of the unitholders within 10 (Ten) working days from receipt of valid redemption request.

- (b) For units held in IDFC Fixed Term Plans (except those which are maturing during the Exit Option Period), IDFC Yearly Series Interval Funds and Exchange Traded Funds:

Unit holders are provided with four “windows” (each window of weekly duration spread over the exit option period) to facilitate redemption in IDFC Fixed Term Plans, IDFC Yearly Series Interval Funds and Exchange Traded Funds. A unit holder can submit the redemption request on any business day within any of the “windows” at any of the Points of Service. In case of units held in electronic (demat) form, the redemption request needs to be submitted to the depository participant. IDFC AMC will process all valid redemption requests submitted during each “window” on the last business day of the respective “window” with an aim to help in managing the redemptions received efficiently in view of the large market lot size requirement in debt markets for selling of debt securities.

For example, for the first “window” i.e. from March 16, 2017 to March 22, 2017, all the valid redemption requests submitted on any day during the first “window” up to 3:00 pm on March 22, 2017, will be processed for redemption at the applicable NAV of March 22, 2017 (being the last day of the first window) and the instruments for redemption proceeds will be dispatched to the unitholders or redemption proceeds will be electronically credited to the bank account of the unitholders within 10 (Ten) working days from March 22, 2017. The redemption requests received during the other “windows” will be processed by following the same procedure.

The details of window periods and applicable NAV are as follows:

Window	Opening Date	Closing Date	Applicable NAV for processing redemption*
Window 1	March 16, 2017	March 22, 2017 (up to 3:00 pm)	Last day of the window
Window 2	March 22, 2017 (after 3:00 pm)	March 29, 2017 (up to 3:00 pm)	Last day of the window
Window 3	March 29, 2017 (after 3:00 pm)	April 05, 2017 (up to 3:00 pm)	Last day of the window
Window 4	April 05, 2017 (after 3:00 pm)	April 17, 2017 (up to 3:00 pm)	Last day of the window

\*The units will be redeemed at the Applicable NAV of the day irrespective of the traded or quoted price on the stock exchange. In case the last day of the window falls on a non-business day for the scheme, the redemption will be processed on the next business day.

It is clarified that no further subscriptions will be permitted in the IDFC Fixed Term Plans and in the IDFC Yearly Series Interval Funds in respect of which the Stipulated Transaction Period does not open for subscription and redemption during the above stated 30 days no-load exit option period.

Please note that the no load exit option is not available to following investments in the schemes of IDFC Mutual Fund:

- 1) Investments in the schemes made on or after March 16, 2017;
- 2) Investments in close-ended schemes which are maturing during the Exit Option Period; and
- 3) Investments in IDFC Tax Advantage (ELSS) Fund, which have not completed the 3 years lock-in period.

Further, such exit option will not be available to unitholders who have pledged or encumbered their units in the Scheme and Mutual Fund has been instructed to mark a pledge/lien on such units, unless the release of the pledge/ lien is obtained and appropriately communicated to AMC / Mutual Fund prior to applying for redemption/switch-out.

**The expenses related to the proposed change in shareholding pattern and other consequential changes as outlined above will NOT be charged to the unitholders of the schemes of IDFC Mutual Fund.**

**All other terms and conditions of SAI read with the addenda issued from time to time remain unchanged.**

The Notice - Cum - Addendum forms an integral part of the SAI, read with the addenda.

Date: March 11, 2017

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