IDFC
IDFC MUTUAL FUND

Notice - Cum - Addendum No. 14 of 2017

Addendum to the Scheme Information Document and Key Information Memorandum of IDFC Equity Fund

Change in investment strategy of IDFC Equity Fund:

NOTICE is hereby given that the investment strategy of IDFC Equity Fund ("the Scheme"), an open-ended equity fund of IDFC Mutual Fund, shall stand modified as follows with effect from April 18, 2017 ("Effective Date").

Consequently, the following changes will be carried out in the features of the scheme from the Effective Date:

Particulars	Existing	New (Proposed)
Investment Strategy	The Scheme intends to invest in companies which are involved in or are in the process of setting up various business activities, ventures, projects or other commercial endeavors. The Scheme would invest in equities in the IPOs, subsequent public offers or in the secondary market, other equity related instruments (including derivatives), benefit out of the cash and derivative markets arbitrage opportunity and invest the residual sums in debt and money market instruments. The Scheme will endeavor to generate capital appreciation through investing in equities and equity related instruments by inter alia adopting the mode of applying for Initial Public Offerings (IPOs) or subsequent public offerings made by companies. The Scheme envisages to generate reasonable returns by investing in such equities. The balance equity allocations by the fund will be closely in line with Nifty 50 Index (Earlier known as CNX Nifty Index). However the fund will seek to take on some deviation from Nifty 50 Index by making smaller allocations to a range of arbitrage strategies in the equity and derivative markets. In the event of there not being any well priced IPOs from companies with proven track record / potential growth opportunities etc., the monies collected could be deployed in equities and equity related instruments, cash futures arbitrage, NIFTY spot futures arbitrage etc. Debt and money market instruments could be considered when yields are comparable to those in the spot futures arbitrage segment. The asset allocation would inter-alia depend on various parameters like the availability of initial or subsequent Public Offerings made by the companies, the response to the issue and relative valuations of the peer group of business that the company/ies are operating in, opportunities available in the equity, derivatives, debt markets etc.	The Scheme seeks to generate capital appreciation from a portfolio of predominantly equity and equity-related instruments (including equity derivatives). The scheme may also invest in debt and money market instruments to generate reasonable income. The scheme will generate capital growth by predominantly investing in large cap stocks having a market capitalization equal to or above the 100th stock in the S&P BSE 100 index. This will form at least 80% of the equity corpus of the scheme. The remaining portion of the scheme may be invested in stocks with smaller market capitalization and/or in debt and money market instruments depending on the prevailing market conditions. The scheme will follow an actively managed approach of identifying quality companies without any sector / industry bias. Within the investment universe, the focus of the scheme would be towards building a set of companies that have superior cash generating ability, capability to service debt and offer growth potential at reasonable price.
Benchmark	Nifty 50 Index	**S&P BSE 100** S&P BSE 100 is a broad based index that comprises of 100 large, well-established, financially sound companies across sectors and with high liquidity. Given that the fund would be predominantly focusing on large cap companies, we believe this benchmark to be the most appropriate.

The investment objective and asset allocation pattern of the Scheme will remain unchanged.

The above changes in the scheme features have been approved by the Board of Directors of the AMC and the Trustee Company.

The change in investment strategy of the Scheme, being a change in the fundamental attributes of the Scheme, in terms of regulation 18(15A) of SEBI (Mutual Funds) Regulations, 1996, investors in the Scheme 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 this scheme in view of the proposed change in the scheme features. The period of this no load exit offer is valid for a period of 30 days from March 16, 2017 to April 17, 2017 (both days inclusive). The normal redemption / switch request form may be used for this purpose and submitted at any of the IDFC AMC / CAMS ISCs. The no load exit option will be available only to those investments in the Scheme made prior to March 16, 2017.

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.

Unitholders who do not exercise the exit option on or before April 17, 2017 would be deemed to have consented to the proposed change. It may be noted that the offer to exit is merely an option and is not compulsory.

All other features, terms and conditions of the Scheme, as stated in the Scheme Information Document (SID) & the Key Information Memorandum (KIM) of the Scheme, read with the addenda issued from time to time, remain unchanged.

The Notice - Cum - Addendum forms an integral part of the SID and KIM of the Scheme, read with the addenda.

Date: March 11, 2017

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

Size : 12 (W) x 34 (H) cm