

NOTICE

Notice is hereby given that the Board of Directors of IDFC AMC Trustee Company Ltd. (Trustee of IDFC Mutual Fund) has decided the following:

a) Single plan structure for mutual fund schemes:

Pursuant to the requirement of SEBI circular dated September 13, 2012, the following plan under the respective schemes of IDFC Mutual Fund shall accept fresh subscriptions (purchases), w.e.f October 01, 2012:

| Name of the schemes | Plan permitting further subscriptions from October 01, 2012 | Minimum subscription amount | Options & sub options available | Default option under the plan | Default dividend option |
|---|---|---|---|-------------------------------|---------------------------------|
| IDFC Cash Fund | Plan C | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Daily, Weekly, Monthly, Periodic | Growth | Daily Dividend Reinvestment |
| IDFC Ultra Short Term Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Daily, Weekly, Monthly, Quarterly, Periodic | Growth | Weekly Dividend Reinvestment |
| IDFC Money Manager Fund - Investment Plan | Plan B | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Daily, Weekly, Monthly, Quarterly, Annual, Periodic | Growth | Monthly Dividend Reinvestment |
| IDFC Money Manager Fund - Treasury Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Daily, Weekly, Monthly | Growth | Weekly Dividend Reinvestment |
| IDFC Dynamic Bond Fund | Plan B | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Quarterly | Growth | Quarterly Dividend Reinvestment |
| IDFC Government Securities Fund - PF | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Quarterly, Annual | Growth | Quarterly Dividend Reinvestment |
| IDFC Government Securities Fund - Short Term | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Weekly, Monthly, Quarterly | Growth | Monthly Dividend Reinvestment |
| IDFC Government Securities Fund - Investment Plan | Plan B | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend, Regular | Growth | Dividend Reinvestment |
| IDFC Super Saver Income Fund -Investment Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Quarterly, Half Yearly, Annual | Growth | Quarterly Dividend Reinvestment |
| IDFC Super Saver Income Fund -Medium Term | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend- Daily, Fortnightly, Monthly, Bi Monthly, Quarterly | Growth | Monthly Dividend Reinvestment |
| IDFC Super Saver Income Fund - Short Term | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend-Fortnightly, Monthly | Growth | Monthly Dividend Reinvestment |
| IDFC All Seasons Bond Fund | Plan A | Rs 24,000/- and multiples of Re 1 thereafter | Growth, Dividend-Daily, Weekly, Fortnightly, Quarterly, Half Yearly, Annual | Growth | Quarterly Dividend Reinvestment |
| IDFC Classic Equity Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Imperial Equity Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Premier Equity Fund | Plan A | Rs 10,000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC-Strategic Sector (50:50) Equity Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC-Infrastructure Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC GDP India Growth Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Tax Advantage Fund -ELSS | Plan A | Rs 500/- and multiples of Rs 500/- thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Arbitrage Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Arbitrage Plus Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Equity Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Sterling Equity Fund | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Nifty Fund | Plan A | Rs 500/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Asset Allocation Fund - Aggressive Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Asset Allocation Fund - Moderate Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC Asset Allocation Fund - Conservative Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth and Dividend | Growth | Reinvestment |
| IDFC - Monthly Income Plan | Plan A | Rs 5000/- and multiples of Re 1 thereafter | Growth, Dividend-Quarterly and Regular | Growth | Regular Dividend reinvestment |

*The daily and weekly option will have only dividend reinvestment facility (payout facility not available). Effective October 01, 2012, the fortnightly dividend option under the respective dividend option shall have both payout and reinvestment facility.

- Plans mentioned under column "B" shall henceforth be available for fresh and additional subscriptions. All existing plans other than the plans mentioned under "B" above, would be suspended for further subscriptions by way of additional / fresh purchases including STP, SIP, dividend sweep registrations w.e.f. October 01, 2012.
- Existing SIP, STP, dividend sweep and dividend reinvestments under the suspended plans shall be discontinued w.e.f. November 01, 2012.
- In case an investor submits any subscriptions (fresh purchase, additional purchase, STP, SIP and dividend sweep) in the suspended plan, the same shall be processed under the corresponding option or the default option (in case the same option is not available) of the surviving plan.
- Redemptions / switch outs shall continue to be processed in the suspended plans.

b) Cut off timing for subscriptions / switch – ins for all schemes of IDFC Mutual Fund (except IDFC Cash Fund)

The following shall be the cut off timing / applicable NAV for subscriptions/ switch – ins for all schemes of IDFC Mutual Fund (except IDFC Cash Fund) w.e.f October 01, 2012:

For subscriptions / switch – ins less than Rs 2 lakhs:

- In respect of valid applications received upto 3.00 p.m on a Business Day by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the day on which application is received shall be applicable.
- In respect of valid applications received after 3.00 p.m on a Business day by the Fund along with a local cheque or a demand draft payable at par at the official point(s) of acceptance where the application is received, the closing NAV of the next Business day shall be applicable.
- However, in respect of valid applications, with outstation cheques/demand drafts not payable at par at the official point(s) of acceptance where the application is received, closing NAV of the day on which cheque/demand draft is credited shall be applicable.

For subscriptions / switch - ins equal to or more than Rs 2 lakhs:

- In respect of valid applications received for an amount equal to or more than Rs. 2 lakhs upto 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time i.e available for utilization before the cut-off time - the closing NAV of the day shall be applicable
- In respect of valid applications received for an amount equal to or more than Rs. 2 lakhs after 3.00 p.m on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time of the next Business Day i.e available for utilization before the cut-off time of the next Business Day- the closing NAV of the next Business Day shall be applicable.
- Irrespective of the time of receipt of application for an amount equal to or more than Rs. 2 lakhs at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before the cut-off time on any subsequent Business Day - i.e available for utilization before the cut-off time on any subsequent Business Day the closing NAV of such subsequent Business Day shall be applicable.

The aforesaid provisions shall also apply to systematic transactions i.e Systematic Investment Plan (SIP), Systematic Transfer Plan (STP).

c) Exit load:

With effect from October 01, 2012, the entire exit load charged collected shall be credited to the respective schemes.

d) The following addition shall be made in the Investment restrictions of all the debt schemes (including liquid schemes) of IDFC Mutual Fund:

The total exposure in a particular sector (excluding investments in Bank CDs, CBLO, G-Sees, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the scheme.

e) Annual scheme recurring expense:

The paragraph on Annual scheme recurring expense shall be replaced as under:

As per SEBI (MF) Regulations, 1996, recurring expenses will not exceed the following limits per annum:

- on the first Rs. 100 crore of the Scheme's daily average net assets, will not exceed 2.50%
- on the next Rs. 300 crore of the Scheme's daily average net assets, will not exceed 2.25%
- on the next Rs. 300 crore of the Scheme's daily average net assets, will not exceed 2.00% and
- on the balance of the Scheme's daily average net assets, will not exceed 1.75%.

Provided that in respect of a debt schemes (including liquid schemes) such recurring expenses shall be lesser by at least 0.25% of the daily average net assets outstanding in each financial year .

In case of an Index Fund, the total expenses of the scheme including the investment and advisory fees shall not exceed 1.5% of the daily average net assets;

In case of a fund of funds scheme, the total expenses of the scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50 per cent of the daily net assets of the scheme.

In addition to the recurring expense mentioned above, additional expenses of 0.20% of daily net assets of the scheme shall be chargeable.

The fees and expenses for operating the scheme is mentioned hereunder. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc.:

Estimated Recurring Expenses:

| Particulars | % of daily average Net Assets (Equity schemes) | % of daily average Net Assets (debt and liquid scheme) |
|---|--|--|
| Investment Management & Advisory Fee | 1.25 | 1.25 |
| Custodial Fees | 0.20 | 0.05 |
| Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc. | 0.20 | 0.15 |
| Marketing & Selling Expenses including Agents Commission and statutory advertisement | 0.67 | 0.70 |
| Brokerage & Transaction Cost pertaining to the distribution of units | 0.10 | 0.07 |
| Audit Fees / Fees and expenses of trustees | 0.13 | 0.04 |
| Costs related to investor communications | 0.01 | 0.06 |
| Costs of fund transfer from location to location | 0.01 | 0.01 |
| Other Expenses | 0.13 | 0.12 |
| Total Recurring Expenses | 2.70% | 2.45% |

The above expenses (including management fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations. The schemes can charge upto 2.45% (in case of debt schemes, liquid scheme) or 2.70% (in case of equity schemes) % or 1.7% (in case of index funds) of the daily average net assets as management fees.

In addition to the limits specified above, the following costs or expenses may be charged to the scheme, namely-

- brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions;
 - expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified from time to time are at least -
 - 30 per cent of gross new inflows in the scheme, or; (ii) 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 is less than the higher of sub-clause (i) or sub-clause (ii), 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 utilized 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;
- Service tax on investment management and advisory fees
- For the actual current expenses being charged, the investor should refer to the website of the mutual fund at www.idfcmf.com
- As per the Regulations, the total recurring expenses that can be charged to the Scheme in this Scheme information document shall be subject to the applicable guidelines. Expenses over and above the permitted limits will be borne by the AMC. The total recurring expenses of the Scheme, will, however, be limited to the ceilings as prescribed under Regulation 52(6) of the Regulations.

f) The para on "Transparency & NAV disclosures", "disclosure of Portfolio / Financial Results" and "Half yearly results" shall be replaced with the below:

The Mutual Fund shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on their website and shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

All other terms and conditions mentioned in the SID / SAI / KIM remain unchanged

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