



NOTICE CUM ADDENDUM TO STATEMENT OF ADDITIONAL INFORMATION (SAI) OF IIFL MUTUAL FUND (No.8/2013)

Notice is hereby given that in order to have a consistency in pricing of debt and money market securities across all mutual fund schemes, AMFI vide its Best Practice Circular dated November 19, 2013 has recommended scrip level valuation for securities having maturity greater than 60 days. In accordance with the said circular, following changes in valuation policy of IIFL Mutual Fund will be applicable w.e.f. December 31, 2013;

Valuation of Money Market and Debt Securities with residual maturity above 60 days	Revised Valuation Policy for Money Market and Debt Securities with residual maturity above 60 days:
<p>Traded Securities Traded Securities shall be valued at the weighted average YTM at which they are traded and reported on FIMMDA on the particular valuation day. In case of multiple platforms reporting trades on the same day, the order of preference would be FIMMDA, and own trades.</p> <p>Non Traded Securities When such securities are not traded on a particular valuation day they shall be valued at benchmark yield/matrix of spread over risk free benchmark yield obtained from agency (ies) entrusted for the said purpose by AMFI.</p> <p>Where required suitable mark up / mark down shall be applied to bench mark yield to value the security at fair value.</p>	<p>All securities (including traded and non traded) will be valued at aggregate security level prices provided by CRISIL & ICRA or any such agency approved by AMFI.</p> <p>Securities for which prices are not provided by the rating agencies on any given date will be valued as follows:</p> <ul style="list-style-type: none"> • Traded Securities shall be valued at the weighted average YTM at which they are traded and reported on FIMMDA on the particular valuation day. In case of multiple platforms reporting trades on the same day, the order of preference would be FIMMDA and own trades. • When such securities are not traded on a particular valuation day they shall be valued at purchase cost plus accruals / amortization;

This Notice cum addendum forms an integral part of the SAI of the Fund. All other terms and conditions mentioned in the SAI shall remain unchanged.

For **India Infoline Asset Management Company Limited**

Place: Mumbai

Sd/-

Date: December 31, 2013

Authorised Signatory

“Mutual Fund investments are subject to market risks, read all scheme related documents carefully”