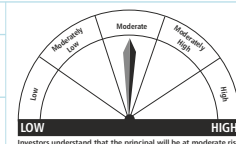


KEY INFORMATION MEMORANDUM

The product is suitable for investors who are seeking*:

- Income and long term gains
- Investment in a range of debt and money market instruments of various maturities

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www.iifl.com** The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

The KIM is dated June 30, 2017

Name of Mutual Fund	Name of Asset Management Company	Name of Trustee company
IIFL Mutual Fund IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	IIFL Asset Management Ltd. (IIFL AMC) (Formerly known as India Infoline Asset Management Company Ltd.) Regd. Office: IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	IIFL Trustee Ltd. (Formerly known as India Infoline Trustee Company Ltd.) Regd. Office: IIFL Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Name of the Sponsor	Name of the Registrar
IIFL Wealth Management Limited Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604	Computer Age Management Services Pvt. Ltd. (CAMS) Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034

Name of the Scheme: IIFL Dynamic Bond Fund

Type of the Scheme: An open ended Income Scheme.

Investment Objective:

The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.

Asset Allocation Pattern of the Scheme:

The investment policies of the Scheme shall be as per SEBI (Mutual Funds) Regulations, 1996, and within the following guidelines. Under normal market circumstances, the investment range would be as follows

Type of Instruments	Normal Allocation (% of Net assets)		Risk Profile
	Minimum	Maximum	
Debt market Instruments*	0%	100%	Low to Medium
Money Market Instruments	0%	100%	Low to Medium

*Investments in securitized debt including Pass Through Certificates (PTCs) not to exceed 25% of the net assets of the Scheme as at the time of purchase. Investment in debt derivatives shall be up to 50% of the net assets of the Scheme

Security Lending will only be with approved intermediaries will not be more than 20% of the net assets of the Scheme and will not be more than 5% of the net assets of the Scheme to any single counter party. Securities lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the Borrower on expiry of the stipulated period.

The Scheme will not invest in Foreign Securities and will not participate in repo transactions of Corporate Debt Securities.

The total exposure of the Scheme in a particular sector, based on AMFI classification (excluding investments in Bank CDs, CBLO, Government Securities, Treasury Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 25% of the net assets of the Scheme. An additional exposure to financial services sector (over and above the existing 25% limit) not exceeding 15% of the net assets of the scheme may be made by way of investments in AA or higher rated securities of Housing Finance Companies (HFCs) registered with National Housing Bank (NHB). However, the total investment in HFCs shall not exceed 25% of the net assets of the scheme.

The Scheme retains the flexibility to invest across all classes of debt and money market instruments with no cap or floor on maturity, duration or instrument type concentrations. The Fund will dynamically manage the portfolio maturity profile based on the current market condition. Since the intention of fund is to dynamically manage the asset allocation the percentage of allocation would change depending on view of interest rate, level of corporate spread, overall market view and availability of different asset at different point of time.

The Fund shall not take any leveraged position. The total investments in the Fund including investment in debt, money market and other securities and gross exposure of derivatives, if any, shall not exceed the net assets under management in the scheme.

Pending deployment of the funds as per the investment objective of the Scheme, the funds of the Scheme may be parked in short term deposits of the scheduled commercial banks, subject to the guidelines and limits specified by SEBI from time to time. Subject to limits prescribed by SEBI, the maturity profile of the Scheme can undergo a change in case the market conditions warrant and at the discretion of the fund manager.

IIFL Dynamic Bond Fund is different from the existing IIFL Liquid Fund launched by IIFL Mutual Fund, as stated below:

Sr.	Name of the Scheme	Indicative Asset Allocation of the Scheme	Investment Objective	AUM as on May 31, 2017	No. of Folios as on May 31, 2017
1.	IIFL Liquid Fund (Open Ended Liquid Scheme)	Instruments Allocation Money market and debt instruments with residual maturity up to 91 days (including floating rate debt instruments and securitized)	To provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt in debt instruments securities with residual maturity of up to 91 days.	412.14 Crore	678

Investment Strategy: The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors. The scheme will design portfolio which will dynamically track interest rate movements in the short term by reducing duration in a rising rate environment while increasing duration in a falling interest rate environment. In order to maximize returns the fund managers may look at curve spread both on gilt as well as the corporate bond markets to gain maximum value out of any security(s). The Scheme has the discretion to take aggressive interest rate / duration risk calls, which could mean investing the entire net assets in long dated Government securities and debt instruments (carrying relatively higher interest rate risk), or on defensive considerations, entirely in money market instruments. Accordingly, the interest rate risk of the Scheme may change substantially depending upon the Fund's call.

The Scheme does not propose to underwrite issuances of securities of other issuers. The Scheme would invest in debt securities of companies based on various criteria like sound professional management, Sound track record, industry scenario, growth prospects, liquidity of the securities, etc. The Scheme will emphasise on well managed, good quality companies with above average growth prospects whose securities can be purchased at a good yield and whose debt securities are rated above the Investment grade by a recognised authority like The Credit Rating and Information Services of India Limited (CRISIL), ICRA Limited, Credit Analysis and Research Limited (CARE) etc. In case of investments in debt instruments that are not rated, specific approval of the Board will be taken except in case of Government Securities being sovereign bonds. Please refer SID for further details.

Risk Profile of the Scheme: Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:

1. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved.

2. As the price/value/interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down. The value of investment in the scheme may be affected, by change in the market, interest rates, change in credit rating, trading volumes, and settlement period and transfer procedures. The NAV is also exposed to Price/Interest Rate Risk and credit risk and may be affected inter-alia by the government policy, volatility and liquidity in the money market.

3. Past performance of the Sponsors/AMC/Mutual Fund does not guarantee the future performance of the Scheme.

Risk associated with Investing in Debt and money market instruments:

Interest Rate risk: This risk is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The values of investments will appreciate/depreciate if the interest rates fall/rise.

Credit risk: This risk arises due to any uncertainty in counterparty's ability or willingness to meet its contractual obligations. This risk pertains to the risk of default of payment of principal and interest.

Liquidity risk: The liquidity of a bond may change depending on market conditions leading to changes in the liquidity premium linked to the price of the bond. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio.

Risks associated with investments in Derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. Please refer SID for further details.

Risk Mitigation Measures: The investment team of the AMC takes an active view on the key drivers affecting interest rate scenario. Investment views / decisions will be based on an analysis of macroeconomic and other relevant factors to estimate the direction of interest rates and level of liquidity, in an attempt to optimize the risk adjusted returns on the portfolio. Portfolios are rebalanced on a dynamic basis as per the objective of the scheme to optimize returns whilst managing risks at all points in time. The credit quality of the portfolio is maintained and monitored using in-house research capabilities as well as inputs from external sources such as independent credit rating agencies.

Whilst all risks such as interest rate risk, liquidity risk, default risk, reinvestment risk, etc. cannot be eliminated, they may be minimized through diversification, research and effective use of hedging techniques. The AMC would incorporate adequate safeguards to minimize abovementioned risks in the portfolio construction and management process.

To achieve this, an internal Investment Committee meets regularly to provide overall guidance for the investment management process. The Investment Committee periodically reviews the investment strategies and philosophy and adherence to all scheme parameters.

Dematerialization of units: Unit holders are given an option to hold the units in demat form, in addition to account statement (physical form).

Liquidity: The Scheme will offer Units for Purchase and Redemption at NAV related prices on every Business Day on an ongoing basis, commencing not later than 5 working days from the allotment of units of the scheme. The Mutual Fund will endeavor to dispatch the Redemption proceeds within 3 Business Days but not later than 10 business days from the acceptance of the Redemption request.

Plans and Options:

I. PLAN: Regular Plan and Direct Plan

II. OPTION:

The Scheme has the following Options under each of above plans :

- Growth Option: This option is suitable for investors who are not looking for current income but who invest only with the intention of capital appreciation.
- Dividend Option: This option is suitable for investors seeking income through dividend declared by the Scheme. Under this Option, the Scheme will endeavor to declare dividends from time to time. The dividend shall be dependent on the availability of distributable surplus.

The Dividend Option has the following Facilities:

- Dividend Reinvestment Facility (available for Quarterly frequency)
- Dividend Pay-out Facility (available for Quarterly frequency)

In cases where the investor fails to opt for a particular Option at the time of investment, the default Option will be Growth. If the investor chooses Dividend Option and fails to mention facility / frequency then the default facility will be Reinvestment and the default frequency will be quarterly.

If Dividend payable under Dividend Payout option is equal to or less than Rs. 500/- then the Dividend would be compulsorily reinvested in the option of the Scheme

Applicable NAV (after the scheme opens for repurchase and sales):

The AMC will calculate and disclose the NAV of the Scheme on all business days. The NAV of the Scheme shall be released at least in two daily newspapers. The AMC will update the NAVs on AMFI website www.amfiindia.com before 9.00 p.m. on every business day. If the NAV is not available on AMFI website before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would

be able to publish the NAV.

The Cut-off time for the Scheme is 3.00 pm and the Applicable NAV will be as under:

For Purchase/ Switch-in:

– In respect of valid Purchase applications [alongwith necessary documents] of investment amount less than Rs. 2 Lakh accepted at an Official Point of acceptance received up to 3.00 pm on a Business Day, the closing NAV of the day of receipt of application will be applicable;

– In respect of valid Purchase applications [alongwith necessary documents] of investment amount equal to or more than Rs.2 Lakh accepted at an Official Point of acceptance received up to 3.00 pm on a Business Day, and the funds are available for utilisation before the cut-off time without availing any credit facility, whether intra-day or otherwise, the closing NAV of the day of receipt of application will be applicable;

– In respect of valid Purchase applications [alongwith necessary documents] of investment amount less than Rs. 2 Lakh accepted at an Official Point of Acceptance received after 3.00 pm on a Business Day, the closing NAV of the next Business Day will be applicable,

– In respect of valid Purchase applications [alongwith necessary documents] of investment amount equal to or more than Rs. 2 Lakh accepted at an Official Point of Acceptance received after 3.00 pm on a Business Day, the closing NAV of the next Business Day will be applicable, and

– Irrespective of the time of receipt of application of investment amount equal to or more than Rs. 2 Lakh, where the funds are not available for utilisation before the cut-off time without availing any credit facility, whether intra-day or otherwise, the closing NAV of the day on which the funds are available for utilisation will be applicable.

For allotment of units, it shall be ensured that for all valid applications of investment amount equal to or more than 2 Lakh Funds for the entire amount of subscription / purchase as per the application / switch-in request are credited to the bank account of the Scheme before the cut-off time, and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.

Where one or more subscription applications are received on a business day (as per time stamping rules) from an investor and the aggregate subscription amount of such applications is equal to or more than Rs. 2 lacs, the applicable NAV would be the closing NAV of the day on which such subscription money is available for utilization. For more details on said aggregation refer SID.

For Redemption/ Switch out:

In respect of valid applications accepted at an Official Point of Acceptance upto 3.00 p.m. on a Business Day, the closing NAV of the same day will be applicable; and In respect of valid applications accepted at an Official Point of Acceptance after 3.00 p.m., the closing NAV of the next Business Day will be applicable.

Minimum Application Amount/No of Units:

First time Purchase/ Switch in – INR 10000/- and in multiples of INR 100/- thereafter.

Additional Purchase / Switch in – INR 1000/- and in multiples of INR 100/- thereafter

❖ Systematic Investment Plan (SIP)

- Monthly option – Rs. 1000 per month for a minimum period of six months.
- Quarterly Option – Rs.1500 per quarter for a minimum period of 4 quarters.

Investments above the minimum amount mentioned, shall be made in multiples of Rs. 100 for all SIP irrespective of frequency of SIP or the Option. All subscription cheques / drafts / other payment instruments (Pay Order, banker's cheque etc) must be drawn in favour of the Scheme in which the investor proposes to invest and should be crossed "Account Payee only". To prevent fraudulent practices Investors are urged to make the Payment Instruments favouring "Name of the Scheme A/c. First Investor Name" OR "Name of the Scheme A/c. Permanent Account Number" OR "Name of the Scheme A/c. Folio Number". The Scheme name on the application form and the payment instrument should be same. If the Scheme name on the application form and on the payment instrument are different, the application will be processed and units allotted at applicable NAV of the scheme mentioned in the application / transaction slip duly signed by investor(s)

Despatch of Repurchase (Redemption) Request:

The Scheme will offer Units for Purchase and Redemption at NAV related prices on every Business Day on an ongoing basis. The Mutual Fund will endeavor to dispatch the Redemption proceeds not later than 10 business days from the acceptance of the Redemption request.

Benchmark Index: CRISIL Composite Bond Fund Index

Name of Fund Manager: Mr. Ankur Parekh(With Effect from March 8,2016)

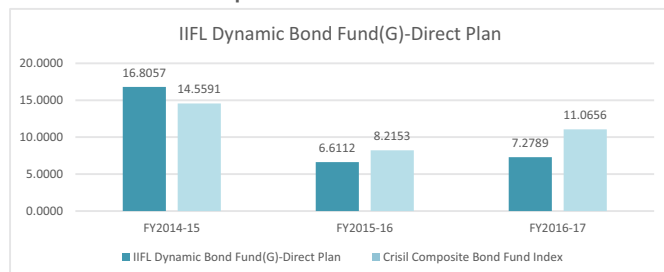
Name of Trustee Company: IIFL Trustee Ltd.

Performance of the Scheme:

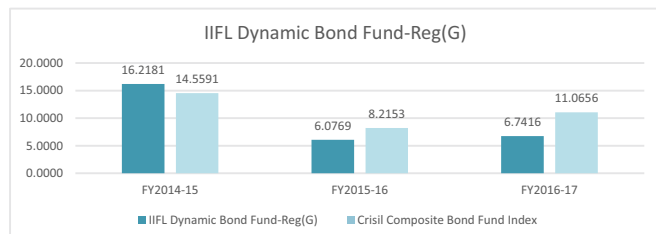
Compounded Annual Return	Scheme Returns Regular Plan	Scheme Returns Direct Plan	Benchmark %
Returns for the last 1 year	7.32%	7.85%	10.94%
Returns for the last 3 Years CAGR	8.86%	9.41%	10.67%
Returns since inception* CAGR	7.26%	7.80%	9.13%

As on 31-May-2017, above 1 year CAGR Return, *SI- 24-June-2013

Benchmark: Crisil Composite Bond Fund Index



Absolute Returns for each financial year for the last 3 years



Absolute Returns for each financial year for the last 3 years

Disclosure pursuant to SEBI Circular Dated March 18, 2016:

Top 10 Holdings (by issuer) of the Scheme as on May 31, 2017 :

Name of the issuer	% of Scheme
8.15% Government of India	51.29%
8.24% Government of India	25.72%
9.10% Dewan Housing Finance Corporation Limited	9.66%
9.00% State Bank of India	7.32%
9.45% State Bank of India	0.2%

The complete portfolio of the scheme on monthly basis is updated at <http://www.iifl.com/Downloads/MandatoryDisclosures/MonthlyPortfolio.aspx>

Allocation of the scheme towards its various Sectors:

Industry Allocation	% Nav
Central Government	77.01%
Financial Services	17.18%
Others	5.81%

Schemes Portfolio turnover ratio :NA

• Others under sector disclosure include cash & cash equivalents.

Expenses of the Scheme:

1.Load Structure

Entry Load: Not Applicable

Exit Load: NIL

2.Recurring Expenses

The AMC has estimated the following annual recurring expenses on daily net assets of the Scheme. For the actual current expenses being charged, the investor should refer to the website.

Particulars	(% of Daily Net Assets)
Investment Management and Advisory Fees, Trustee fee, Audit fees, Custodian fees, RTA Fees, Marketing & Selling expense incl. agent commission, Cost related to investor communications, Cost of fund transfer from location to location, Cost of providing account statements & dividend redemption cheques & warrants, Costs of statutory Advertisements, Cost towards investor education & awareness (at least 2 bps), Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively, Service tax on expenses other than investment and advisory fees, Service tax* on brokerage and transaction cost	Up to 2.25%
Maximum total expense ratio (TER) permissible under Regulation 52 (6)(c)(i) & (6) (a)	Up to 2.25%
Additional expenses under regulation 52 (6A) (c)	Up to 0.20%
Additional expenses for gross new inflows from specified cities	Up to 0.30%

These estimates of Investment Management Fees and Expenses have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se, which may be more or less than estimated above. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC. In addition to above mentioned limits, the Service tax payable on investment and advisory service fees ('AMC Fees') charged by IIFL Asset Management Limited (IIFLAMC) will be charged to the Scheme. It is estimated that expenses of Direct Plan will be lower than Regular Plan around 0.30% on daily net assets, however this an estimate and actual difference may be more or less than 0.30%. The expenses under the Direct Plan will be lower than Regular Plan, due to no distribution expenses

and distributor commission under Direct Plan.

Actual Expenses for the previous financial year:

• Regular Plan-0.95% • Direct Plan-0.45%

Transaction charge:

In case of purchases/subscriptions/new inflows only (lump sum and SIP), of Rs.10,000/- and above per subscription; transaction charge shall be levied and be paid to the distributors/ brokers (who have opted in for charging the transaction charge based on the type of product) in respect of applications routed through them, subject to the following:

• For Existing/ New investors: Rs. 100/ Rs.150 as applicable per subscription of Rs.10,000/- and above

• Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/- and above. In such cases the transaction charge would be recovered in maximum 3/4 successful installments.

The Transaction Charge as mentioned above shall be deducted by AMC from the subscription amount of the unit holder and paid to the distributor. The balance amount shall be invested in the Scheme.

Tax treatment for the Investors (Unitholders)

Investor is advised to refer to the details in the Statement of Additional Information and also independently refer to his/her tax advisor.

Waiver of load for Direct application: Not Applicable

Daily Net Asset Value (NAV) Publication:

The NAV will be declared on all business days and will be communicated to two newspapers. NAV can also be viewed on www.iifl.com and also on AMFI website www.amfiindia.com.

For Investor Grievances please contact

Name and address of Registrar:

Computer Age Management Services Pvt. Ltd. (CAMS)

Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034

Contact Person Name, Address, Telephone No., Fax No., E-mail ID at IIFL Mutual Fund

Mr.Chandan Bhatnagar

IIFL Asset Management Ltd.

IIFL Centre, 6th floor, Kamala City, S.B. Marg, Lower Parel, Mumbai -400 013

Tel (91 22) 4249 9000 • Fax: (91 22) 2495 4310

• Email: service@iifl.com

Investors are advised to contact any of the ISCs or the AMC by calling the Toll Free No. 1800-200-2267. Investors can also visit the website at www.iifl.com for complete details.

Unitholder's Information:

Account Statements:

Account Statement will be sent to Investors opting to subscribe to / hold units in physical form (i) by way of an e-mail and/or an sms to their registered e-mail address and or mobile number not later than 5 Business Days from the date of acceptance of the request for subscription, and (ii) a 'Consolidated Account Statement (CAS)' (to investors whose PAN details are updated). For investors who hold Units in dematerialized form, a demat statement shall be provided by the DP in such form and in such manner and at such time as provided in the agreement with the beneficial owner.

Annual Financial Results and Half Yearly Portfolio:

An abridged / full Scheme-wise annual report, in electronic form, will be e-mailed to all unit holders who have provided their e-mail ids, and physical copy to unit holders whose e-mail address is not available within four months from the date of closure of the relevant accounting year. In the event of receipt of a request from a unit holder for a physical copy, notwithstanding the registration of such a unit holder's e-mail address, the AMC will provide the unit holder with a physical copy. The link of the full Scheme-wise annual report and half yearly portfolio disclosure will be displayed prominently on the website of the AMC, viz., www.iifl.com and physical copies will be made available for inspection at the head office of the AMC.