



**IIFL**  
**ASSET MANAGEMENT**

**IIFL ASSET MANAGEMENT LTD.**

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Mumbai 400013 | CIN: U74900MH2010PLC201113 | www.iifl.com

**Merger of IIFL Capital Enhancer Fund-Series 1 into IIFL Focused Equity Fund**

**NOTICE IS HEREBY GIVEN THAT** the Board of Directors of IIFL Asset Management Limited (IIFL AMC), Investment Manager to IIFL Mutual Fund (IIFL MF) and IIFL Trustee Limited (IIFL Trustee), Trustee to IIFL MF have approved the merger of IIFL Capital Enhancer Fund-Series 1 (IIFL CEF) into IIFL Focused Equity Fund (IIFL FEF).

The Securities and Exchange Board of India vide its letter no. IMD/DF3/OW/P/2019/22261/1 dated August 29, 2019 has conveyed it's no objection to the aforesaid merger(s).

IIFL Capital Enhancer Fund- Series 1 is an annual interval scheme investing in equity and equity related securities. The scheme predominantly invests in large cap equities and hedges the long position through investment in Nifty 50 PUT Option(s).

In line with the current market scenario, it is proposed to merge IIFL CEF with IIFL FEF, an open-ended equity scheme investing in maximum 30 multicap stocks. The rationale for the proposed merger essentially is to lead to greater operational efficiencies and also create an optimal fund size towards better fund management opportunities.

The unit holders of IIFL CEF are requested to note that IIFL CEF, would cease to exist with effect from the close of the business hours on October 11, 2019 ("the effective date").

In terms of prevailing regulatory requirements, investors in IIFL CEF are given an option to redeem or switch (to any other open ended scheme of IIFL Mutual Fund) at the prevailing Net Asset Value without any exit load in case they do not wish to approve the merger. The period of this exit offer is valid from September 09, 2019 to October 11, 2019 (up to 3.00 pm on October 11, 2019). The normal redemption form may be used for this purpose and submitted at any of the Investor Service Centers. The unit holders who hold their units in dematerialised form, need to submit the redemption request with their Depository Participant during exit option period.

Unitholders who do not exercise the exit option on or before October 11, 2019 would be deemed to have consented to the proposed merger.

The provisions of Scheme Information Document of IIFL CEF regarding redemption of units only in Specified Transaction Period and minimum amount of redemption will not be applicable and Investor(s) has the option to redeem/exit any number of unit(s) held by the investor.

The redemption payment will be made within 10 Business Days of receipt of valid redemption request to those unit holders who choose to exercise their exit option. In case of any pledge / lien / other encumbrance marked on any units in IIFL CEF, the unitholders will not have the option to exit unless they submit a release of their pledges/encumbrances prior to submitting their redemption/switch requests during the exit offer. On the effective date, the respective pledges/encumbrances shall be marked on the corresponding number of units allotted in IIFL FEF. Unit holders should ensure that any change in address or pay-out bank details required by them, are updated in the records before exercising the exit option.

Consequently, on the date of merger i.e., effective October 11, 2019, IIFL CEF will cease to exist. The investors of IIFL CEF will be allotted units under the corresponding plan/option of IIFL FEF at the last available applicable Net Asset Value. As a result of merger, the units of IIFL CEF will be delisted from Stock Exchange(s).

All the features of the IIFL FEF and provisions as contained in Scheme Information Document shall remain unchanged post the merger and no new scheme/plan will emerge post the aforesaid merger.

The allotment of units in IIFL FEF consequent to the merger shall be considered as redemption in IIFL CEF and will result in short term/ long term capital gain in the hands of the unitholder depending upon the period of holding of the investment.

The redemption/switch of units from the IIFL CEF would be liable for deduction of STT. However, such STT shall be borne by AMC and will not be borne by unitholders.

In case of NRI investors, Tax Deducted at Source shall also be deducted in accordance with the applicable Tax laws for the redemption/switch of units from IIFL CEF during the exit period and the same would be required to be borne by such investor only. The unitholders are advised to consult their tax advisors with respect to their tax liability. The units allotted to the unitholders in IIFL FEF shall be treated as fresh subscription.

Further, the investment portfolio of IIFL CEF as on the date of merger, which is valued as per SEBI Guidelines, will be merged with the portfolio of IIFL FEF. This exit offer is not available to the investors of IIFL FEF since there is no change in fundamental attribute and the interests of investors of IIFL FEF are not adversely affected.

The individual communication regarding the merger are also being dispatched to the unitholders of IIFL CEF.

Unit holders may note that no action is required in case they are in agreement with the aforesaid changes. The offer to exit is optional at the discretion of the unitholders and not compulsory. We would like you to remain invested with us.

**For IIFL Asset Management Ltd.**

Sd/-

**Prashasta Seth**

**Chief Executive Officer**

**Place : Mumbai**

**Date : September 06, 2019**

**"Mutual Fund investments are subject to market risks, read all scheme related documents carefully"**