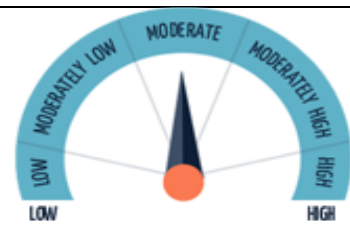


KEY INFORMATION MEMORANDUM

**IDFC Dynamic Bond Fund**  
(An open ended dynamic debt scheme investing across duration)  
(Offer of Units at NAV based prices on an on-going basis)

<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>- To generate long term optimal returns by active management</li> <li>- Investments in money market &amp; debt instruments including G-Sec across duration</li> </ul> <p><i>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</i></p>	 <p><b>Investors understand that their principal will be at moderate risk</b></p>
<p><b>Mutual Fund</b></p>	<p><b>: IDFC Mutual Fund</b></p>
<p><b>Asset Management Company</b></p>	<p><b>: IDFC Asset Management Company Limited</b></p>
<p><b>Trustee Company</b></p>	<p><b>: IDFC AMC Trustee Company Limited</b></p>
<p><b>Address</b></p>	<p><b>: 6th Floor, One IndiaBulls Centre, Jupiter Mills Compound, 841, Senapati Bapat Marg, Elphinstone (W), Mumbai – 400013</b></p>
<p><b>Website</b></p>	<p><b>: <a href="http://www.idfcmf.com">www.idfcmf.com</a></b></p>

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 Investors Service Centres or distributors or from website [www.idfcmf.com](http://www.idfcmf.com).

The Scheme particulars have also been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with the 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.

This Key Information Memorandum is dated May 30, 2019.

<b>Investment Objective</b>	<p>The Scheme seeks to generate optimal returns by active management of the portfolio by investing in debt and money market instruments across maturities.</p> <p><u>Disclaimer:</u> There is no assurance or guarantee that the objectives of the scheme will be realised.</p>						
<b>Asset Allocation Pattern</b>	<table border="1" data-bbox="400 320 1415 589"> <thead> <tr> <th data-bbox="400 320 1034 398">Asset Class</th> <th data-bbox="1034 320 1415 398">Indicative allocation (as % of total assets)</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 398 1034 546">Debt Securities (including G-Sec and securitised debt) and Money Market Instruments across maturities and Units issued by REITs &amp; InvITs, within which</td> <td data-bbox="1034 398 1415 546">0% – 100%</td> </tr> <tr> <td data-bbox="400 546 1034 589">- Units issued by REITs &amp; InvITs</td> <td data-bbox="1034 546 1415 589">10%</td> </tr> </tbody> </table> <p>Investment in Securitised Debt - up to 50% of the total assets  Investment in Foreign securities - up to 50% of total assets  Investment in Securities lending – up to 20% of the total assets with maximum single party exposure restricted to 5% of the total assets  Exposure in Derivatives – up to 100% of total assets  Gross Exposure to Repo of Corporate Debt Securities – up to the extent permitted by the Regulations (currently up to 10% of total assets, subject to change in line with the regulations from time to time)  The Scheme may engage in short selling of securities in accordance with the applicable guidelines / regulations. The scheme may invest in Credit Default Swaps (CDS) in accordance with the applicable regulations as and when permitted by SEBI/RBI up to the extent permitted by the regulations.  The cumulative gross exposure through derivatives and debt &amp; money market instruments along with repo transactions in corporate debt securities, credit default swaps and units issued by REITs &amp; InvITs shall not exceed 100% of the net assets of the Scheme.</p>	Asset Class	Indicative allocation (as % of total assets)	Debt Securities (including G-Sec and securitised debt) and Money Market Instruments across maturities and Units issued by REITs & InvITs, within which	0% – 100%	- Units issued by REITs & InvITs	10%
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<b>Investment Strategy</b>	<p>The scheme proposes to generate optimal returns by designing a portfolio which will dynamically track interest rate movements through active management across maturities / duration.</p> <p>The aim of the Investment Manager will be to allocate the assets of the Scheme amongst various fixed income instruments (debt / money market) across maturities and ratings with the objective of optimizing returns. The actual percentage of investment in various fixed income instruments from time to time will be decided basis the prevailing macro-economic environment (including interest rates and inflation), market conditions, general liquidity, and fund manager views.</p>						
<b>Risk Profile of the Scheme and Risk management strategies</b>	<p>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.</p> <p>The Fund by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt and equity markets. The risk control process involves identifying &amp; measuring the risk through various risk measurement tools. The Fund has identified following risks management strategies, which are embedded in the investment process to manage such risks.</p>						

<b>Risk Description</b>	<b>Risk Mitigants/management strategy</b>
<p><b>Market Risk</b> As with all debt securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.</p>	<p>In a rising interest rates scenario the Fund Managers will endeavor to increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity will be increased thereby mitigating risk to that extent.</p>
<p><b>Liquidity or Marketability Risk</b> This refers to the ease with which a security can be sold at or near to its valuation Yield-To-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market.</p>	<p>The Scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds. Liquidity risk is today characteristic of the Indian fixed income market. The fund will however, endeavor to minimise liquidity risk by investing in securities having a liquid market.</p>
<p><b>Credit Risk</b> Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.</p>	<p>A traditional SWOT analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the fund will ensure that these instruments are sufficiently backed by assets.</p>
<p><b>Reinvestment Risk</b> This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.</p>	<p>Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.</p>

	<p><b>Derivatives Risk</b> As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that Investors should understand. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.</p>	<p>The fund has provision for using derivative instruments for portfolio balancing and hedging purposes. Interest Rate Swaps will be done with approved counter parties under pre approved ISDA agreements. Mark to Market of swaps, netting off of cash flow and default provision clauses will be provided as per international best practice on a reciprocal basis. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.</p>
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<p><b>Plans and Options</b></p>	<p>The Scheme offers <b>Regular Plan &amp; Direct Plan</b>.</p>																																						
	<p>Both the Plans will have separate NAV and a common portfolio.</p>																																						
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<p>Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” in the application form e.g. “IDFC Dynamic Bond Fund - Direct Plan”. Investors should also indicate “Direct” in the ARN column of the application form.</p>																																							
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<p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application</p>																																							

	form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.
<b>No. of Folios and AUM (As on April 30, 2019)</b>	<b>Folios - 10329; AUM - Rs. 1918.11 Cr.</b>
<b>Cut off timing for subscriptions/ redemptions/ switches</b>	<p><b>Cut off timing for subscriptions/ redemptions/ switches</b> The Scheme is an open ended liquid scheme. Subscription and redemption facility is available on a continuous basis.</p> <p><u>Applicable NAV</u></p> <p>For subscriptions / switch – ins less than Rs 2 lakhs:</p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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.</li> <li>3. 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.</li> </ol> <p>For subscriptions / switch – ins equal to or more than Rs 2 lakhs:</p> <ol style="list-style-type: none"> <li>1. 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</li> <li>2. 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</li> <li>3. 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.</li> <li>4. The aforesaid provisions shall also apply to systematic transactions i.e Systematic Investment Plan (SIP), Systematic Transfer Plan (STP).</li> </ol> <p>For Repurchase/Redemption/Switch-outs: Where the application is received upto 3.00 pm, closing NAV of the day on which the application is received shall be applicable and if the application is received after 3.00 pm closing NAV of the next business day shall be applicable.</p>

<b>Minimum Application Amount/ Number of Units</b>	<b>Particulars</b>	<b>Details</b>																											
	Initial Investment	Rs.5000/- and any amount thereafter																											
	Additional Purchases	Rs.1000/- and any amount thereafter																											
	Repurchase	Rs.500/- and any amount thereafter If the balance in the Folio / Account available for redemption is less than the minimum amount prescribed above, the entire balance available for redemption will be redeemed.																											
	SIP	Rs.1000/- and in multiples of Rs.1 thereafter [minimum 6 installments]																											
	SWP	Rs.500/- and in multiples of Re.1 thereafter																											
	STP (in)	Rs.1000/- and any amount thereafter																											
<b>Despatch of Repurchase (Redemption) Request</b>	Within 10 working days of the receipt of the redemption request at the authorised centre of IDFC Mutual Fund.																												
<b>Benchmark Index</b>	Crisil Composite Bond Fund Index																												
<b>Dividend Policy</b>	Dividend declaration and distribution shall be in accordance with SEBI Regulations as applicable from time to time. The AMC reserves the right to declared dividend from time to time, depending on availability of distributable surplus.																												
<b>Name of the Fund Manager</b>	Mr. Suyash Choudhary (Managing the Fund since October 15, 2010)																												
<b>Name of the Trustee Company</b>	IDFC AMC Trustee Company Limited																												
<b>Performance of the scheme</b>	Return (%) of Growth Option as at April 30, 2019																												
	<b>Period</b>	<b>Direct Plan</b>		<b>Regular Plan</b>																									
		<b>Returns%</b>	<b>Crisil Composite Bond Fund Index %</b>	<b>Returns%</b>	<b>Crisil Composite Bond Fund Index %</b>																								
	<b>1 Year</b>	9.34%	8.57%	8.06%	8.06%																								
	<b>3 Years</b>	8.19%	7.35%	7.25%	7.25%																								
	<b>5 Years</b>	9.49%	8.58%	8.87%	8.87%																								
	<b>Since Inception</b>	8.92%	7.97%	8.15%	7.86%																								
	*Date of Inception : Direct Plan –1st Jan 2013 Regular Plan – 03rd Dec 2008																												
	Returns more than 1 year are calculated on compounded annualized basis																												
	<table border="1"> <caption>Annualized Returns (%)</caption> <thead> <tr> <th>Period</th> <th>IDFC Dynamic Bond Fund - Dir - Growth</th> <th>IDFC Dynamic Bond Fund - Reg - Growth</th> <th>CRISIL Composite Bond Fund Index</th> </tr> </thead> <tbody> <tr> <td>FY 2018-19</td> <td>9.01</td> <td>8.23</td> <td>6.74</td> </tr> <tr> <td>FY 2017-18</td> <td>3.11</td> <td>2.34</td> <td>5.06</td> </tr> <tr> <td>FY 2016-17</td> <td>14.11</td> <td>13.09</td> <td>11.09</td> </tr> <tr> <td>FY 2015-16</td> <td>6.08</td> <td>5.12</td> <td>8.24</td> </tr> <tr> <td>FY 2014-15</td> <td>17.35</td> <td>16.27</td> <td>14.59</td> </tr> </tbody> </table>					Period	IDFC Dynamic Bond Fund - Dir - Growth	IDFC Dynamic Bond Fund - Reg - Growth	CRISIL Composite Bond Fund Index	FY 2018-19	9.01	8.23	6.74	FY 2017-18	3.11	2.34	5.06	FY 2016-17	14.11	13.09	11.09	FY 2015-16	6.08	5.12	8.24	FY 2014-15	17.35	16.27	14.59
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<p><b>Expenses of the scheme</b></p>	<p><b>(i) Load Structure</b></p> <p>Entry load: Nil Exit Load: Nil</p> <p><b>(ii) Actual expenses for the previous financial year 2018-19</b> (inclusive of Goods and Service Tax and Additional TER, if any):</p> <p><b>Regular Plan –1.56%; Direct Plan - 0.83%.</b></p> <p><b>Transaction charges</b></p> <p><b>In accordance with SEBI circular no. CIR/ IMD/ DF/ 13/ 2011 dated August 22, 2011, Transaction Charge per subscription of Rs.10, 000/ – and above shall be charged from the investors and shall be payable to the distributors/ brokers (who have opted in for charging the transaction charge for this scheme) in respect of applications routed through distributor/ broker relating to Purchases / subscription / new inflows only (lump sum and SIP), subject to the following:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> <b>For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs. 10,000/ – and above</b></li> <li><input type="checkbox"/> <b>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 4 successful installments.</b></li> <li><input type="checkbox"/> <b>There shall be no transaction charge on subscription below Rs.10,000/-.</b></li> <li><input type="checkbox"/> <b>There shall be no transaction charges on direct investments.</b></li> </ul> <p><b>The Transaction Charge as mentioned above shall be deducted by the AMC from the subscription amount of the Unit Holder and paid to the distributor and the balance shall be invested in the Scheme. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.</b></p> <p>The requirement of minimum application amount shall not be applicable if the investment amount falls below the minimum amount required due to deduction of transaction charges from the subscription amount. The AMCs shall be responsible for any malpractice/mis-selling by the distributor while charging transaction costs.</p>
<p><b>Waiver of Load for Direct Applications</b></p>	<p>Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/ 09 dated June 30, 2009, there is no entry load for Mutual Fund schemes. Hence, the procedure for waiver of load for Direct Applications is no longer applicable.</p>
<p><b>Tax treatment for the Investors (Unitholders)</b></p>	<p>Investor will be advised to refer to the details in the Statement of Additional Information and also independently refer to his tax advisor.</p>
<p><b>Daily Net Asset Value (NAV) Publication</b></p>	<p>NAV will be determined for every Business Day except in special circumstances. NAV will be calculated upto four decimal places.</p> <p>NAV of the Scheme shall be made available on the website of AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) and the Mutual Fund (<a href="http://www.idfcmf.com">www.idfcmf.com</a>) by 9.00 p.m. on all business days. In case the NAV is not uploaded by 9.00 p.m it shall be explained in writing to AMFI for non adherence of time limit for uploading NAV on AMFI’s website. If the NAVs are not available 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 NAV shall also be available on the call free number 1800 300 66688 and on the website of the Registrar CAMS (<a href="http://www.camsonline.com">www.camsonline.com</a>)</p>
<p><b>For Investor</b></p>	<p><b>Name and Address of Registrar</b></p>

<b>Grievances please contact</b>	<p>Computer Age Management Services Private Limited (CAMS) 7<sup>th</sup> Floor, Tower II, Rayala Towers, No.158, Anna Salai, Chennai 600 002 Tel. + 91 – 44 – 30407263 / 7262</p> <table border="1" data-bbox="395 320 1426 645"> <thead> <tr> <th data-bbox="395 320 501 365">Name</th> <th data-bbox="501 320 911 365">Address and Contact Number</th> <th data-bbox="911 320 1426 365">E-Mail</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 365 501 645">Neeta Singh</td> <td data-bbox="501 365 911 645">IDFC Asset Management Company Limited, 1 India Bulls Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone, Mumbai 400013. Contact number #022 66289999</td> <td data-bbox="911 365 1426 645"><a href="mailto:INVESTORMF@IDFC.COM">INVESTORMF@IDFC.COM</a></td> </tr> </tbody> </table>	Name	Address and Contact Number	E-Mail	Neeta Singh	IDFC Asset Management Company Limited, 1 India Bulls Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone, Mumbai 400013. Contact number #022 66289999	<a href="mailto:INVESTORMF@IDFC.COM">INVESTORMF@IDFC.COM</a>
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<b>Unitholders' Information</b>	<p><b>Account Statements</b></p> <p><b>For NFO allotment and fresh purchase during ongoing sales with creation of a new Folio:</b></p> <ul style="list-style-type: none"> <li>• The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of closure of the NFO / transaction.</li> <li>• The AMC shall issue to the investor whose application has been accepted, an account statement specifying the number of units allotted within five business days of closure of NFO/transaction. For allotment in demat form the account statement shall be sent by the depository / depository participant, and not by the AMC.</li> <li>• For NFO allotment in demat form, the AMC shall issue an intimation of allotment.</li> <li>• For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.</li> <li>• The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.</li> </ul> <p>Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circulars no. Cir/ IMD/DF/16/ 2011 dated September 08, 2011, no. Cir/MRD/D9/31/2014 dated November 12, 2014, no. SEBI/HO/IMD/DF2/CIR/P/2016/42dated March 18, 2016 and no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, investors are requested to note the following regarding dispatch of account statements:</p> <p><b>A) Consolidated Account Statement (CAS) - for Unitholders who have registered their PAN / PEKRN with the Mutual Fund:</b></p> <p><u>Investors who hold demat account and have registered their PAN with the mutual fund:</u></p> <p>For transactions in the schemes of IDFC Mutual Fund, a Consolidated Account Statement, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.</p> <p>Due to this regulatory change, AMC has now ceased sending account statement (physical / e-mail) to the investors after every financial transaction including</p>						



systematic transactions.

The CAS shall be generated on a monthly basis. AMCs/ RTAs shall share the requisite information with the Depositories on monthly basis to enable generation of CAS. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be the PAN of the first holder and pattern of holding. Based on the PANs provided by the AMCs/MF-RTAs, the Depositories shall match their PAN database to determine the common PANs and allocate the PANs among themselves for the purpose of sending CAS. For PANs which are common between depositories and AMCs, the Depositories shall send the CAS.

In case investors have multiple accounts across the two depositories, the depository having the demat account which has been opened earlier shall be the default depository which will consolidate details across depositories and MF investments and dispatch the CAS to the investor. However, option shall be given to the demat account holder by the default depository to choose the depository through which the investor wishes to receive the CAS.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send the account statement to the investor as specified under the regulations applicable to the depositories.

Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be sent by Depositories every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN.

For Unit Holders who have provided an e-mail address to the Mutual Fund or in KYC

records, the CAS will be sent by e-mail. However, where an investor does not wish to receive CAS through email, option shall be given to the investor to receive the CAS in physical form at the address registered in the Depository system.

Investors who do not wish to receive CAS sent by depositories have an option to indicate their negative consent. Such investors may contact the depositories to opt out.

Other investors:

The Consolidated Account Statement (CAS) for each calendar month shall be issued on or before tenth day of succeeding month to the investors who have provided valid Permanent Account Number (PAN) / PAN Exempt KYC Registration Number (PEKRN).

Due to this regulatory change, AMC has now ceased sending physical account statement to the investors after every financial transaction including systematic transactions.

The CAS shall be generated on a monthly basis. The Consolidated Account Statement issued is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month. The CAS shall also provide the total purchase value / cost of investment in each scheme.

Further, a consolidated account statement shall be issued every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. The CAS will be sent via email (instead of physical statement) where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.

**B) For Unitholders who have not registered their PAN / PEKRN with the Mutual Fund:**

For folios not included in the Consolidated Account Statement (CAS):

- The AMC shall allot the units to the applicant whose application has been accepted and also send confirmation specifying the number of units allotted to the applicant by way of email and/or SMS's to the applicant's registered email address and/or mobile number within five working days from the date of transaction.
- The AMC shall issue account statement to the investors on a monthly basis,

pursuant to any financial transaction in such folios on or before tenth day of succeeding month. The account statement shall contain the details relating to all financial transactions made by an investor during the month, the holding as at the end of the month and shall also provide the total purchase value / cost of investment in each scheme.

- For those unitholders who have provided an e-mail address, the AMC will send the account statement by e-mail instead of physical statement.
- The unitholder may request for an account statement by writing / calling us at any of the ISC and the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

Further, an account statement shall be sent by the AMC every half yearly (September/March), on or before 10th day of succeeding month, providing the following information:

- holding at the end of the six month
- The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc.
- The scheme's average Total Expense Ratio (in percentage terms) along with the break up between investment and advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

Such half-yearly account statement shall be issued to all investors, excluding those investors who do not have any holdings in IDFC MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

### **C) For all Unitholders**

In case of a specific request received from the unit holder, the AMC shall provide the account statement to the investor within 5 business days from the receipt of such request.

#### **Monthly / Half yearly Portfolio Disclosures:**

The Mutual fund shall disclose portfolio (along with ISIN) as on the last day of the half year for this scheme on website of the AMC ([www.idfcmf.com](http://www.idfcmf.com)) and ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month / half year. In unitholder whose email addresses are registered with the Fund, the portfolios disclosed above shall be sent to the unitholders via email. The unitholders whose e-mail address registered with the Fund are requested to update / provide their email address to the Fund for updating the database. An advertisement shall be published in at least one English newspaper and Hindi daily newspaper disclosing the hosting of scheme's half yearly portfolio on the website of AMC and AMFI.

Physical copy of statement of scheme's portfolio shall be provided without charging any fee on specific request received from the unitholder.

#### **Half Yearly Results**

The Mutual Fund shall within one month from the close of each half year, that is March and on 30th September, host a soft copy of its unaudited financial results on its website.

website and shall publish an advertisement disclosing the hosting of such financial reports on their website, in atleast one English daily newspaper having nationwide circulation and one newspaper having wide circulation published in the language of the region where the Office of the mutual fund is situated.

**Annual Report**

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unit holders within four months from the date of closure of the relevant accounts year i.e. 31st March of each year as under:

- (i) by e-mail to the Unit holders whose e-mail address is available with the Fund,
- (ii) in physical form to the Unit holders whose email address is not available with the Fund and/or to those Unit holders who have opted / requested for the same.

An advertisement shall also be published in all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the website of the AMC.

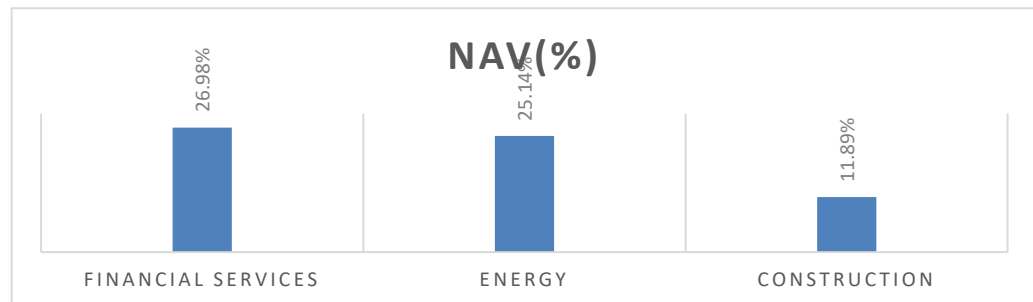
The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme wise annual report or abridged summary shall be displayed prominently on the website of the Fund.

The AMC shall also provide a physical copy of abridged summary of the annual report, without charging any cost, on specific request received from the unitholder. A copy of scheme wise annual report shall also be made available to unitholder(s) on payment of nominal fees.

**Schemes Portfolios Holdings**

Holdings of the Scheme as on April 30, 2019 is stated here below:

ISSUER	NAV(%)
State Government Securities	33.15%
Reliance Industries Limited	11.98%
Indian Railway Finance Corporation Limited	11.94%
National Highways Auth Of Ind	11.89%
NTPC Limited	11.70%
National Bank For Agriculture and Rural Development	9.24%
REC Limited	5.80%
Power Grid Corporation of India Limited	1.46%
Government of India	0.48%
Clearing Corporation of India Ltd	0.29%



Monthly portfolio statement of the Scheme is hosted on website <http://www.idfcmf.com/Downloads.aspx>

**Portfolio Turnover Ratio**

Being a debt scheme, disclosure of Portfolio Turnover ratio is not applicable to this scheme.

**COMPARISON WITH OTHER DEBT SCHEMES OF IDFC MUTUAL FUND:**

<b>Name of the scheme</b>	<b>Category of the scheme</b>	<b>Type of scheme</b>
IDFC Dynamic Bond Fund	Dynamic Bond	An open ended dynamic debt scheme investing across duration
IDFC Bond Fund – Income Plan	Medium to Long Duration Fund	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years
IDFC Bond Fund - Medium Term Plan	Medium Duration Fund	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years
IDFC Government Securities Fund - Investment Plan	Gilt Fund	An open ended debt scheme investing in government securities across maturities
IDFC Credit Risk Fund	Credit Risk Fund	An open ended debt scheme predominantly investing in AA and below rated corporate bonds
IDFC Bond Fund - Short Term Plan	Short Duration Fund	An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years
IDFC Banking & PSU Debt Fund	Banking and PSU Fund	An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds
IDFC Corporate Bond Fund	Corporate Bond Fund	Corporate Bond Fund - an open ended debt scheme predominantly investing in AA+ and above rated corporate bonds
IDFC Government Securities Fund - Constant Maturity Plan	Gilt Fund with 10 year constant duration	An open ended debt scheme investing in government securities having a constant maturity of 10 years
IDFC Cash Fund	Liquid Fund	An open ended liquid scheme
IDFC Low Duration Fund	Low Duration Fund	An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months
IDFC Money Manager Fund	Money Market Fund	An open ended debt scheme investing in money market instruments
IDFC Ultra Short Term Fund	Ultra Short Duration Fund	An open-ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 6 months
IDFC Overnight Fund	Overnight Fund	An open-ended Debt Scheme investing in overnight securities

**Please refer to the Statement of Additional Information and Scheme Information Document for any further details.**

Note: The Trustees have ensured that the Scheme approved by them is a new product offered by IDFC Mutual Fund and is not a minor modification of an existing scheme / fund / product.

**For IDFC Asset Management Company Limited**

Sd/-  
**Vishal Kapoor**  
CEO

**Place: Mumbai**  
**Date: May 30, 2019**