

## IIFL FUND

*Société d'investissement à capital variable*

Registered office : 2, rue d'Alsace

L-1122 Luxembourg

R.C.S. Luxembourg B217612

(the "Company")

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### NOTICE TO SHAREHOLDERS

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Luxembourg, 27 March 2020

Dear Shareholder,

In the context of the application of the swing pricing mechanism applicable to the sub-funds of the Company, the board of directors of the Company (the "Board") would hereby like to inform you that it has decided to temporarily increase the maximum swing factor from the 1% limit currently mentioned in the Company's prospectus (the "Prospectus") to 4.5% with effect as of 19 March 2020 (the "Effective Date") and until further notice.

#### **1. Reasons for the application of a higher maximum risk factor**

Due to the exceptional market conditions resulting from the outbreak of the Coronavirus / Covid-19 around the world, the market environment is unprecedented, with financial parameters at historically distorted levels and liquidity severely impacted. This has resulted in the instruments traded by the Company suffering an important widening of the bid/ask trading conditions and squeeze of the market depth leading to higher impact cost on the fund, thereby existing shareholders, if the fund were to exit a part of the portfolio due to large redemptions on any given day (more than 5% of the AUM).

In light of these exceptional circumstances, and for the purpose of preserving the best interests of all of the Company's shareholders, the Board has resolved to proceed with the above-mentioned decision.

#### **2. Practical information**

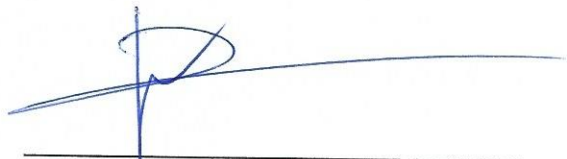
Swing pricing aims to protect existing or remaining shareholders from the dilution's effects they may suffer as a result of subscriptions, redemptions and/or conversions of shares in or out of the relevant sub-fund.

You can find further information on the swing pricing mechanism under Section 10.1 of the general part of the latest version of the prospectus of the Company (i.e. dated September 2019).

The Board and the Company's management company are continuously monitoring the situation and evaluating the different tools available to safeguard the best interest of the Company's shareholders in the current circumstances.

The Prospectus will be updated at the earliest opportunity to reflect the new maximum swing factor. If you require further information, please do not hesitate to contact the Company or your financial adviser.

Yours faithfully,

A handwritten signature in blue ink, consisting of a stylized initial 'P' followed by a long horizontal line extending to the right.

On behalf of the Board