Aditya Birla Sun Life AMC Ltd.

ADITYA BIRLA CAPITAL
ASSET MANAGEMENT

# FORM C

## SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020

*(Regulation 22)*

**Aditya Birla Sun Life AMC Limited**
One World Centre, Tower-1, 17th floor,
Jupiter Mills, Senapati Bapat Marg,
Elphinstone Road, Mumbai- 400 013
Phone: 022- 43568184
amit.jain8@adityabirlacapital.com

We confirm that:

1. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;

2. The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;

3. The Disclosure Document has been duly certified by an Independent Chartered Accountant, Mr. Prabhulal Kataria from M/s. P. L. Kataria & Co., 306, Standard House, 83, Maharshi Karve Road, Marine Lines, Mumbai – 400002 bearing Membership Number 009177.

**For Aditya Birla Sun Life AMC Limited - Portfolio Managers**

**Mr. Sameer Narayan**
**Principal Officer**

Dated: September 16, 2025
Place: Mumbai

**ADITYA BIRLA SUN LIFE AMC LIMITED**

**DISCLOSURE DOCUMENT**

**(As required under Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)**

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**DECLARATION**

a) The Disclosure Document (hereinafter referred as **"this Document"**) has been filed with Securities and Exchange Board of India ("**SEBI**") along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

b) This Document serves the purpose of providing essential information about the portfolio management services in a manner to assist and enable the Investors (*as defined hereinbelow*) in making an informed decision for engaging Aditya Birla Sun Life AMC Limited (**"Portfolio Manager"/ "ABSLAMC"**) as a Portfolio Manager (*as defined hereinbelow*).

c) This Document contains the necessary information about the Portfolio Manager required by an investor before investing. The Investor is advised to retain this document for future reference.

d) The name, phone number, e-mail address of the Principal Officer (*as defined hereinbelow*) as designated by the Portfolio Manager along with the address of the Portfolio Manager are as follows:


**PRINCIPAL OFFICER**
**Mr. Sameer Narayan**
Head - Alternate Investment Equity
Phone: 022- 4356 8028
E-mail : sameer.narayan@adityabirlacapital.com

**PORTFOLIO MANAGER**
**Aditya Birla Sun Life AMC Limited (ABSLAMC)**
Registered Office:
One World Center, Tower-1, 17th floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013

## INDEX

Part-I-Static Section:


| Sr. No. | Parameter | Page No. |
|---|---|---|
| 1 | Disclaimer | 2 |
| 2 | Abbreviations & Definitions | 3 |
| 3 | Description<br>(i) History, Present Business and Background of Aditya Birla Sun Life AMC Limited (ABSLAMC)<br>(ii) Promoters of the Portfolio Manager, Directors and their background<br>(iii) Top 10 Group Companies<br>(iv) Details of the services being offered<br>(v) Key Managerial Personnel | 9 |
| 4 | Penalties, pending litigation or proceedings, findings of inspection or investigation for which action may have been taken or initiated by any regulatory authority | 19 |
| 5 | Services Offered | 20 |
| 6 | Risk Factors | 60 |
| 7 | Nature of Expenses | 74 |
| 8 | Taxation | 90 |
| 9 | Accounting policies | 97 |
| 10 | Investors services | 99 |
| 11 | Details of the diversification policy of the portfolio manager | 101 |
| 12 | General Information | 102 |


Part- II - Dynamic Section:


| Sr. No. | Parameter | Page No. |
|---|---|---|
| 1 | Client Representation | 103 |
| 2 | Financial performance of ABSLAMC | 106 |
| 3 | Performance of Portfolio Manager | 107 |
| 4 | Audit Observations (of the preceding 3 years) | 109 |
| 5 | Details of investments in the securities of related parties of the ABSLAMC | 110 |


**NOTE:** ABSLAMC has acquired the right to manage the portfolio accounts of the portfolio management clients of ING Investment Management (India) Private Limited (ING AMC) with effective date from October 20, 2014.

Accordingly, additions / minor modifications are being made in the Disclosure Document of ABSLAMC giving effect of the aforesaid acquisition of the products of ING AMC to bring it in line with the policy / practices of ABSLAMC.

## CONTENTS

### 1) DISCLAIMER CLAUSE

This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions.

## 2) ABBREVIATIONS & DEFINITIONS

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

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| **"Act"** | Securities and Exchange Board of India Act, 1992. |
| **"AMC" or "Asset Management Company or "Investment Manager" or "ABSLAMC"** | Aditya Birla Sun Life AMC Limited, incorporated under the provisions of the Companies Act, 1956. |
| **"Accreditation agency"** | A subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by SEBI from time to time. |
| **"Accredited investor"** | any person who is granted a certificate of accreditation by an accreditation agency who:<br><br>(i) in case of an individual, HUF, family trust or sole proprietorship has:<br>a) annual income of at least two crore rupees; or<br>b) net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or<br>c) annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.<br>(ii) in case of a body corporate, has net worth of at least fifty crore rupees;<br>(iii) in case of a trust other than family trust, has net worth of at least fifty crore rupees;<br>(iv) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:<br><br>Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the Board from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation. |
| **"Advisory Services"** | Advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement. |
| **"Agreement" or "Portfolio Management Services Agreement" or "PMS Agreement"** | Agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by |

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| | the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations. |
| **"Alternative Investment Fund" or "AIF"** | shall have the same meaning as assigned to it in clause (b) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as may be amended from time to time which is being managed by ABSLAMC in its capacity as the investment manager of the alternative investment fund. |
| **"Applicable Laws"** | Any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time. |
| "**Assets Under Management**" or "**AUM**" | Aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients. |
| "**Associate**" | (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager. |
| "**Benchmark**" | An index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager. |
| "**Board**" or "**SEBI**" | The Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992. |
| **"Business Day"** | any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time. any day other than day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc. is also considered as Business Day. |
| **"Chartered Accountant"** | A chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (Act No. 38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act. |
| **"Client" or "Investor"** | Any body corporate, partnership firm, individual, Hindu Undivided Family, association of person, body of individuals, trust, statutory authority or any other person who enters into an agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager. |
| **"Co-investment"** | shall have the meaning given under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended or superseded from time to time. |
| **"Custodian"** | An entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client., which for the time being is HDFC Bank |

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| | Ltd. and ILFS, Mumbai for the resident Clients and Deutsche Bank AG and HDFC Bank Ltd. for non-resident Clients. |
| “**Depository**” | The depository as defined in the Depositories Act, 1996 (22 of 1996). |
| “**Depository Account**” | An account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996. |
| “**Direct on-boarding**” | An option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services. |
| **“Disclosure Document”** | This Document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time for offering portfolio management services. |
| **“Discretionary Portfolio Manager”** | A portfolio manager who under a contract relating to portfolio management, exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of securities of the client, as the case may be. |
| “**Distributor**” | A person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name). |
| “**Eligible Investors**” | A person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager. |
| **“Equity related Instruments”** | Equity related instruments would include convertible bonds, convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares and any other like instrument. |
| “**Fair Market Value**” | The price that the security would ordinarily fetch on sale in the open market on the particular date. |
| **“Foreign Portfolio Investor or FPI”** | A person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time. |
| **“Financial Year”** | A Financial Year shall be the period of 12 months commencing on 1st of April and ending on the 31st of March of the succeeding year. |
| **“Funds”** or **“Capital Contribution**” | The monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager. |
| **“Goods”** | Notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative. |

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| "**Group Company**" | An entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary. |
| "**HUF**" | The Hindu Undivided Family as defined in Section 2(31) of the IT Act. |
| **"Investment Approach"** | A broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.<br>Investment approach provided by Portfolio Managers shall, inter-alia, include (i) investment objective (ii) description of types of securities e.g. equity or debt, listed or unlisted, convertible instruments, etc. (iii) basis of selection of such types of securities as part of the investment approach (iv) allocation of portfolio across types of securities (v) appropriate benchmark to compare performance and basis for choice of benchmark (vi) indicative tenure or investment horizon (vii) risks associated with the investment approach (viii) other salient features, if any. |
| "**IT Act**" | The Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder. |
| **"Large value accredited investor"** | Any accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees. |
| **"Money Market Instruments"** | Includes Commercial Paper, Trade Bill, Treasury Bills, Certificate of Deposit and Usance Bills.<br>The money market instruments mainly comprise: (i) call money, (ii) certificates of deposit, (iii) treasury bills, (iv) other short-term government securities transactions, such as, repos, (v) bankers' acceptances/commercial bills, (vi) commercial paper and (vii) inter-corporate funds. |
| **"Non- Discretionary"** | The portfolio manager would manage, inter-alia, securities transaction execution, accounting of the same, recording of benefits, valuation and other reporting aspects as may be decided mutually with the client. Thus clients at his own risk solely take the investment decisions. |
| **"NRI"** | A Non-Resident Indian as defined in Section 2 (30) of the IT Act or a person of Indian origin residing outside India. |
| "**NAV**" | Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due. |
| "**NISM**" | The National Institute of Securities Markets, established by SEBI. |
| "**Person**" | An individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof. |
| **"Portfolio"** | The total holdings of all investments, Securities and Funds belonging to the Client. |

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| **“Portfolio Manager”** | ABSLAMC, a company incorporated under the provisions of the Companies Act, 1956 registered with SEBI as a portfolio manager bearing registration number INP000000597 and having its registered office at One World Center, Tower-1, 17th floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013, Maharashtra. |
| **“PMS” or “Portfolio Management Services”** | The portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws. |
| **“Principal Officer”** | An employee of the portfolio manager who has been designated as such by the portfolio manager and is responsible for: -<br>(i) the decisions made by the portfolio manager for the management or administration of portfolio of securities or the funds of the client, as the case may be; and<br>(ii) all other operations of the portfolio manager. |
| **“Product”** | Product means Portfolio Management Product launched by the Portfolio Manager from time to time. |
| **“RBI”** | Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time. |
| “**Regulations**” or “**SEBI Regulations**” | The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto. |
| “**Related Party**” | (i) a director, partner or his relative;<br>(ii) a key managerial personnel or his relative;<br>(iii) a firm, in which a director, partner, manager or his relative is a partner;<br>(iv) a private company in which a director, partner or manager or his relative is a member or director;<br>(v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;<br>(vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;<br>(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:<br>Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;<br>(viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager— The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;<br>(ix) a related party as defined under the applicable accounting standards; |

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| | (x) such other person as may be specified by the Board: Provided that,<br>(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or<br>(b) any person or any entity, holding equity shares:<br>i. of twenty per cent or more; or<br>ii. of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year; shall be deemed to be a related party; |
| "**Securities**" | Security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force. |
| **"SEBI"** | The Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992 (Act No. 15 of 1992). |
| **"SEBI Act"** | The Securities and Exchange Board of India Act, 1992 (Act No. 15 of 1992). |

Any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

## 3) DESCRIPTION

### (i) History, Present Business and Background of Aditya Birla Sun Life AMC Limited.

ABSLAMC is a public limited company incorporated under the Companies Act, 1956 on September 05, 1994. ABSLAMC has been appointed as the Investment Manager of Aditya Birla Sun Life Mutual Fund by the Trustee vide Investment Management Agreement dated December 16, 1994, executed between Aditya Birla Sun Life Trustee Private Limited & Aditya Birla Sun Life AMC Limited.

ABSLAMC has also obtained a Certificate of Registration [Code No: PM/INP000000597] to undertake the business of offering Portfolio Management Services (PMS) to Clients / Investors.

ABSLAMC is providing investment management services to Alternative Investment Funds - Category III namely 'Aditya Birla Sun Life AIF Trust – I' and AIF - Category II namely 'Aditya Birla Sun Life AIF Trust – II' registered under SEBI (Alternative Investment Funds) Regulations, 2012.

SEBI vide its email dated July 15, 2020 has granted its no-objection to ABSLAMC for undertaking the non-binding Investment Advisory Services (including credit research) to Funds/Schemes managed by Aditya Birla Sun Life Asset Management Company Pte. Limited, a wholly owned offshore subsidiary of ABSLAMC incorporated in Singapore in accordance with Regulation 24(b) of SEBI (Mutual Funds) Regulations.

Pursuant to the no-objection from SEBI vide its letter dated August 02, 2022 and subsequent approval from International Financial Services Centres Authority ("IFSCA") on November 28, 2022, ABSLAMC will act as a "Registered Fund Management Entity (Non-Retail)" and will carry out Alternative Investment Fund ('AIF') and Portfolio Management Services (PMS) activities through a branch office in Gujarat International Finance Tec-City (GIFT City).

### (ii) Promoters of the Portfolio Manager, Directors and their background

**a) Promoters:**

**Aditya Birla Capital Limited**

Aditya Birla Capital Limited (ABCL") is a listed systemically important non-deposit taking Non-Banking Financial Company (NBFC) and the holding company of the financial services businesses. ABCL and its subsidiaries/JVs provide a comprehensive suite of financial solutions across Loans, Investments, Insurance, and Payments to serve the diverse needs of customers across their lifecycles. Powered by over 61,600 employees, the businesses of ABCL have a nationwide reach with over 1,690 branches and more than 200,000 agents/channel partners along with several bank partners. ABCL and its subsidiaries/JVs manage aggregate assets under management of over Rs. 5.53 Lakh Crore with a consolidated lending book of over Rs 1.65 Lakh Crore as of June 30, 2025.

**The Aditya Birla Group**

A US$67 billion global conglomerate, Aditya Birla Group is in the League of Fortune 500. Anchored by an extraordinary force of over 2,27,500 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, the Group's businesses have grown into global powerhouses in a wide range of sectors - from metals to cement, fashion to financial services and textiles to trading.

Today, about 42% of the Group revenues flow from overseas operations that span 41 countries across six continents.
Please refer www.adityabirla.com for more details.

**Sun Life Financial Inc.**

Sun Life (India) AMC Investments Inc. is a wholly owned subsidiary of Sun Life Assurance Company of Canada, with Sun Life Financial Inc. as its ultimate holding company.

Sun Life is a leading international financial services organization providing asset management, wealth, insurance and health solutions to individual and institutional Clients. It has a strong presence in multiple markets including, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of March 31, 2025, Sun Life had total assets under management ("AUM") of $1.55 trillion. For more information, please visit www.sunlife.com.

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

Sun Life Financial Inc. is a publicly traded company domiciled in Canada.

**b) Directors and their background:**

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| **Mr. A Balasubramanian** (Managing Director & Chief Executive Officer) | 59 years / Advanced Management Programs at Indian Institute of Management (IIM), Bangalore and Harvard Business School, a Bachelor's degree in Science (Mathematics) and a master's degree in business administration from GlobalNxt University | Mr. A. Balasubramanian is the Managing Director & CEO of Aditya Birla Sun Life AMC Limited. A stalwart of the mutual fund industry, he brings with him over three decades of rich experience.<br><br>He has been associated with the organisation since 1994. Prior to assuming the role of CEO in 2009, Mr. Balasubramanian served as the Chief Investment Officer of the Company. As Managing Director & CEO, Mr. Balasubramanian oversees Assets over Rs. 4 lakh crore including Alternate Business at Aditya Birla Sun Life AMC. Before joining the Company in the year 1994, he worked with GIC Mutual Fund, Can Bank Financial Services and Pandit & Co.<br><br>Mr. Balasubramanian is closely associated with key industry bodies. He has been on the Board of Association of Mutual Funds in India (AMFI) since 2009 and served as the Vice Chairman of AMFI in 2015-2016 and its Chairman for two terms from 2016-2018 and reappointed for the period 2021-2023. Mr. Balasubramanian is also the Chairman of the AMFI Equity CIOs' Committee and a Member of the Fund Management Advisory Committee of the International Financial Services Centres Authority |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| | | (IFSCA). He has been the Governor on Board of Governors at the National Institute of Securities Markets (NISM), an institute affiliated with SEBI, from 2018 to 2024.<br><br>He has been appointed as an Additional Director on the Board of Bombay Chamber of Commerce & Industry for the year 2024-25 and is also a Director on the Board of Aditya Birla Sun Life Pension Fund Management Limited, Association of Mutual Fund in India and Institute for Mutual Fund Intermediaries.<br><br>Mr. Balasubramanian was awarded CEO of the Year title by Asia Asset Management in 2018 and 2020. He has been awarded the Chairman's Individual Award by the Aditya Birla Group for being an Outstanding Leader in 2015 and for being a Leader of Leaders in 2018.<br><br>Mr. Balasubramanian is involved with philanthropic work through various charitable organizations. He is one of the active Members at the Sathya Sai Sanjeevani Centre for Child Heart Care. He is also associated with Sathya Sai University, Gulbarga that imparts knowledge on Human Excellence to students during their higher education. He also promotes Indian arts and village traditional culture. |
| **Mrs. Vishakha Mulye**<br>(Associate Director) | 56 years / Chartered Accountant | Mrs. Vishakha Mulye is the Non-Executive Director of the Company. She is the Chief Executive Officer at Aditya Birla Capital Limited ("ABCL"), the holding company of the financial services arm of Aditya Birla Group. She is a Director on the Board of Aditya Birla Management Corporation Private Limited ("ABMCPL"), the apex corporate body of Aditya Birla Group that provides strategic direction and vision to group companies.<br><br>Taking charge in 2022 at ABCL, Mrs. Mulye envisioned the 'One ABC, One P&L', strategy, anchored on the principles of 'One Customer, One Experience and One Team'. This strategic roadmap has been central to Aditya Birla Capital's transformative journey, driving accelerated growth and improved profitability across businesses. By leveraging data, digital and technology, she has reimagined its business model, strengthened platform capabilities, and embarked on a mission to simplify finance, making it as simple as ABCD. |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| | | Under her leadership, Aditya Birla Capital expanded its offerings across Loans, Investments, Insurance, and Payments, and developed an omnichannel D2C platform to deliver comprehensive financial solutions through 'ABCD', its user-friendly, intuitive mobile app. ABCL also introduced 'Udyog Plus', an all-inclusive digital B2B lending platform offering business loans, supply chain financing, and value-added services to the MSME ecosystem.<br><br>Mrs. Mulye is on the Board of other ABCL's operating companies including, Aditya Birla Housing Finance Limited, Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Health Insurance Co. Limited. She is also a Director on the Board of Aditya Birla Capital Foundation and is an Independent Director on the Board of NPCI International Payments Limited. Mrs. Mulye is a Member of Aspen Institute's 'India Leadership Initiative' and served as the Deputy Co-Chair of CII's National Forum on NBFC & HFCs 2023-24.<br><br>Before joining the Aditya Birla Group, Mrs. Mulye held a range of leadership positions and led significant strategic transformations, as a part of the ICICI Group. As the Executive Director on the Board of ICICI Bank, she helmed their domestic and international Wholesale Banking, Proprietary Trading, Markets and Transaction Banking services. She was also the MD & CEO at ICICI Venture Funds Management Company Limited and served as the Group CFO at ICICI Bank. Amongst her numerous achievements, Mrs. Mulye played a pivotal role in driving the merger of ICICI and ICICI Bank, which led to the formation of the second largest private sector bank in India. During her long career span, Mrs. Mulye also led ICICI Bank's structured finance business, served on the Board of ICICI Lombard General Insurance Company Limited, and chaired the Board of ICICI Bank, Canada. |
| **Mr. Sandeep Asthana** (Associate Director) | 57 years / Bachelor's degree in Chemical Engineering from the Indian Institute of Technology (IIT), Bombay and | Mr. Sandeep Asthana is the Non-Executive Director of the Company. He brings over 29 years of experience in Insurance and Asset Management. He is the Country-Head, India, for Sun Life Financial since 2011. His experience covers leadership roles in Reinsurance Group of America (RGA Re), Unit Trust of India (UTI) and Zurich Risk Management Services |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| | a Post-Graduate Diploma in Management from the Indian Institute of Management (IIM), Lucknow | (India) Private Limited.<br><br>Mr. Asthana is also a Director on the Board of Aditya Birla Sun Life Insurance Company Limited, Aditya Birla Sun Life Pension Management Limited, Empyreal Galaxy Private Limited and the Indo-Canadian Business Chamber. |
| **Ms. Anita Ramachandran**<br>(Independent Director) | 70 years<br><br>Bachelor's degree in commerce and a Master's degree in management studies from Jamnalal Bajaj Institute of Management | Ms. Anita Ramachandran is an Independent Director of the Company. She is a renowned Human Resource professional with deep knowledge and experience of around 40 years as a management consultant. She is also one of the first generation of women professional to become an entrepreneur and run a highly successful HR consulting and services organisation. Ms. Ramachandran began her career with AF Ferguson & Co. (the KPMG network company in India then) in 1976 as the first woman consultant of the firm. In her 19 years stint with AFF, sh e worked across various parts of the Country and wide range of areas from finance, industrial market research, strategy and human resource consulting. She was finally a Director of the Firm.<br><br>Ms. Ramachandran founded Cerebrus Consultants in 1995 to focus on HR advisory services, including organisation transformation. Her reputation and innovative work helped her build Cerebrus into a firm with national presence. Ms. Ramachandran is known as an authority in reward management system in the country and her work in the compensation and rewards area is well recognised. In recent years, she has been involved in several large organisation transformation assignments. She also works with several PE firms and start -ups to mentor them through their growth journey.<br><br>Ms. Ramachandran is an Independent Director on the Board of FSN E-Commerce Ventures Limited, Happiest Minds Technologies Limited, Grasim Industries Ltd, Blue Star Limited, Ultratech Cement Limited and Aragen Life Sciences Limited. She is also a Director on the Board of Godrej and Boyce Manufacturing Company Limited, Cerebrus Consultants Private Limited and Nykaa Foundation. |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| **Mr. Navin Puri (**Independent Director) | 67 years<br>Master’s degree in business administrations and Chartered Accountant | Mr. Navin Puri is the Independent Director of the Company. He has over three decades of experience in banking and financial services, with significant roles at HDFC Bank and ANZ Grindlays Bank. He has in-depth knowledge and understanding of the Indian Financial Retail Market and has been a catalyst in driving digitalisation and improving customer experience. Mr. Puri brings considerable expertise in managing regulatory and legal compliance.<br><br>Mr. Puri is also an Independent Director on the Board of Equitas Small Finance Bank, Aditya Birla Health Insurance Co. Limited and Bandhan Life Insurance Limited. |
| **Mr. Sunder Rajan Raman** (Independent Director) | 72 years<br>Master’s degree in Economics, Diploma in Business Management, and Law graduate | Mr. Sunder Rajan Raman is an Independent Director of the Company. His core expertise is in investment banking, finance, capital market and governance. He served as a Whole-Time Member of SEBI from 2012 to 2017. His significant achievement with SEBI includes the transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fundraisings and introducing a regulatory framework for several new products viz. REITS/INVITS/ Municipal Bonds.<br><br>Mr. Raman was also the Chairman and Managing Director of Canara Bank and Executive Director of Union Bank of India. He is also an Independent Director on the Board of Salzer Electronics Limited. |
| **Mr. Ramesh Abhishek** (Independent Director) | 66 years<br>Master's degree in Business Administration in Finance, International Politics and Public Administration | Mr. Ramesh Abhishek is the Independent Director of the Company. A retired IAS officer of 1982 batch, Mr. Abhishek brings with him a rich experience of over 40 years as one of the most senior bureaucrats in the Indian Civil Service. In an illustrious career, he played key roles in leading governance, public policy, competitiveness, regulatory & judicial reforms, policy design & implementation, investment promotion & facilitation, institution building, among many others.<br><br>In his last appointment as the Secretary of the Department for Promotion of Industry and Internal Trade (DPIIT), he was instrumental in facilitating and building some of the unique large-scale and most impactful initiatives of the Government of India that include ‘Make in India’, ‘Startup India’, Ease of Doing Business and Industrial Corridors in the Country. |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| | | Mr. Abhishek played a crucial role in driving the Invest India initiative to strengthen investment promotion and usher in FDI. He has also served as Chairman of the Commodity Derivative Markets Regulator and Forward Markets Commission.<br><br>Mr. Abhishek is also an Independent Director on the Board of Ravindra Energy Limited and Indus Towers Limited. He is a Nominee Director on the Board of Nuvama Wealth Finance Limited and Nuvama Custodial Services Limited and is a Director on the Board of EODB Advisors (OPC) Private Limited.. |
| **Mr. Manjit Singh** (Associate Director) | 56 years<br><br>Bachelor of Arts, Chartered Accountancy Studies degree from the University of Waterloo and a Master of Business Administration from the Richard Ivey School of Business. Fellow of the Chartered Professional Accountants (CPA) from Ontario, has earned the CFA designation and completed the Advanced Management Program at the Harvard Business School. | Mr. Manjit Singh is the Non-Executive Director of the Company. He is the President, Asia and was also the Executive Vice President (EVP) & Chief Financial Officer at Sun Life. Mr. Singh is responsible for leading Sun Life's finance organization including Finance, Tax, Capital, Corporate Development, Investor Relations and strategic finance initiatives. With more than 25 years of finance, strategy, risk and treasury experience, Mr. Singh has worked in financial services in Canada, the US and Europe. Prior to Sun Life, Mr. Singh was EVP, Finance at TD Bank, where he led Enterprise Finance including all Business Segment finance functions, Investor Relations, Tax, Chief Accountants and Enterprise Strategy. During his time with the bank, Mr. Singh worked in all the Bank's major businesses and was actively involved in setting business strategy, leading strategic and corporate development analysis, driving financial performance and executing on key business priorities. |
| **Mr. Supratim Bandyopadhyay** (Independent Director) | 67 years/<br>Chartered Accountant | Mr. Supratim Bandyopadhyay is an Independent Director of the Company. Mr. Bandyopadhyay has immense experience in the field of Insurance, Finance, Investments and Debt operations. His stellar leadership as the Chairman of the Pension Fund Regulatory and Development Authority (PFRDA) from January 2020 to January 2023 resulted in a nearly fourfold increase in PFRDA's assets under |

| Name | Age / Qualification | Brief Experience |
|---|---|---|
| | | management to ₹9 trillion. Prior to his role at PFRDA, Mr. Bandyopadhyay served for around three and half decades at the Life Insurance Corporation of India (LIC), the largest life insurance company in India. Over the course of 35 years, he held several senior positions, including Chief (Investment) and Executive Director (Investment), and served as Managing Director & CEO of LIC Pension Fund, where he was responsible for overseeing its entire operations.<br><br>Mr. Bandyopadhyay is also an Independent Director on the Board of Insecticides (India) Limited, Canara HSBC Life Insurance Co. Limited, India Mortgage Guarantee Corporation Private Limited, Axis Pension Fund Management Limited, Ashika Credit Capital Limited and Finlabs India Private Limited and Director on the Board of MFC Technologies Private Limited. |

**c) Key Personnel:**

| Name | Brief Experience |
|---|---|
| **Mr. Sameer Narayan**<br>(Head - Alternate (AIF & PMS) Investments Equity) and Principal Officer | Mr. Sameer Narayan has over two decades of experience in Indian Equity markets with significant alpha generation track record over longer time periods.<br><br>Prior to joining ABSLAMC, he was Head – PMS at Invesco Asset Management (India) Private Limited. He managed segregated mandates across both growth (Caterpillar) & value (RISE & DAWN) strategies. Prior to Invesco, he had set up the Adani Family Office in Sep 2011. He began his buy-side career with BNP Paribas Asset Management in 2006 where he advised offshore mandates. He has had varied sell-side experience through his stints at SSKI, Enam Securities & Motilal Oswal.<br><br>Sameer holds Master in Management Studies (MMS) from Narsee Monjee Institute of Management Studies, Mumbai and B.E. degree with specialization in Production Engineering. |
| **Mr. Amit Kansal**<br>(Head Alternate Investments – Fixed Income) | Mr. Amit Kansal has over 22 years of experience in Investment / Portfolio Management, Project Finance & Valuation, Corporate Finance and Credit Appraisal. He has been with the Aditya Birla Group for more than a decade and has spearheaded the group's entry into Asset Reconstruction and Stressed Asset Management.<br><br>In his last stint, he was the Business Head for Stressed Asset Platform at Aditya Birla Capital. He has also worked with organizations like ICICI Bank and Ernst & Young. |

| | |
|---|---|
| | He is a commerce graduate from Shri Ram College of Commerce and a Rank Holder Chartered Accountant. |
| **Mr. Amit Jain** (Compliance Officer) | Mr. Amit Jain has over a decade of experience spread across Compliance, Secretarial and Finance functions within the financial services industry. Prior to joining ABSLAMC, he was associated with Kotak Mahindra Bank, BNP Paribas Group and Deutsche Bank. He holds a master's degree in business management from Mumbai University. He is also an associate member of the Institute of Company Secretaries of India. |
| **Mr. Salvin Shah** (Fund Manager) | Salvin has an experience of over a decade in Equity Research and Portfolio Management. Prior to joining ABSLAMC, he has worked with Sanctum Wealth Management as Co-fund Manager in their PMS business. Before Sanctum, Salvin was a part of equity research team at Edelweiss Securities and Athena Investment Management. He is a member of Institute of Chartered Accountants of India (ICAI) and a commerce graduate from Mumbai University. |
| **Mr. Akshat Pandya** (Head – Real Estate and Fund Manager) | Mr. Akshat Pandya has experience of over two decades of real estate private equity, investment banking and construction finance experience in India. Prior to joining Aditya Birla Sun Life AMC Limited in July 2013, he was Vice President - Real Estate Investment Banking at ENAM / AXIS Capital where he was part of a ~USD 1 billion fund raise through initial public offerings. Before ENAM, he worked with the Real Estate Prop Investments book at Lehman Brothers/ Nomura and prior to that with HDFC Limited in their developer finance team. |
| **Mr. Niladri Dey** (Fund Manager) | Mr. Niladri Dey has over 14 years of experience spread across Private Credit, Impact Investment, Venture Debt, Investment Banking, Structured Finance, Corporate Banking, Product Development and Banking Technology. Prior to joining ABSLAMC, he was associated with Samena Capital as Principal of the Private Credit fund. He has also worked with Northern Arc Capital Limited, ECL Finance Limited, YES Bank, AON Hewitt and Accenture. |
| **Mr. Vikas Agrawal** (Fund Manager) | Mr. Vikas Agrawal has experience of over two decades in managing Fixed Income Funds, debt capital markets and corporate advisory. Prior to joining ABSLAMC, he worked with JM Financial Group on the fixed income verticals of Asset Management and Debt Capital Markets. |
| **Ms. Krithika Iyer** (Fund Manager) | Ms. Krithika Iyer has experience of nearly a decade in the BFSI sector. Prior to joining ABSLAMC, she worked with JM Financial Group as part of the NBFC and ARC divisions. She has experience in managing high yield distressed credit exposure and is instrumental in successful exits. In her last stint at JM Financial Credit Solutions Limited, NBFC division of JM Financial Group, she managed a part of the wholesale lending book amounting to ~Rs.2300 crore in the Real Estate sector. |

**(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (as per latest standalone audited financial statement- March 2025)**

| Sr. No. | Name of the Company |
|---|---|
| 1 | Grasim Industries Limited |
| 2 | Aditya Birla Capital Limited |

Criteria for selection are restricted only to Indian Companies of Aditya Birla Group.

**(iv) Details of the services being offered**

| | |
|---|---|
| **Discretionary** | Within the overall client profile, the Portfolio account (made over in cash, stocks, debt securities etc.) is managed at the full discretion and liberty of the Portfolio Manager. |
| **Non-Discretionary** | The Portfolio Manager would manage, inter-alia, securities transaction execution, accounting of the same, recording of benefits, valuation and other reporting aspects as may be decided mutually with the Client. Thus, the investment decisions are solely taken by Clients at his/her own risks and consequences and any action based on same shall be absolute and binding and cannot be called into question or open to review at any time during the currency of the Agreement or any time thereafter. |
| **Advisory** | The Client is advised on buy/sell decision within the overall profile without any back-office responsibility for trade execution, custody of securities or accounting functions. |
| **Co -investment** | The Portfolio Manager shall provide Co-investment services to investors of the various AIFs managed by the Portfolio Manager from time to time including investors of the schemes launched under 'Aditya Birla Sun Life AIF Trust – II' registered under SEBI (Alternative Investment Funds) Regulations, 2012 as a Category II Alternative Investment Fund. Co-investment services and advice for the same shall be provided in accordance with and subject to the provisions under Applicable Law including SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Alternative Investment Funds) Regulations, 2012 and circulars and guidelines issued thereunder, as amended from time to time.<br><br>Investors shall act independently and will make its/their own independent decisions on investment opportunities offered by the Portfolio Manager. The AIFs and the Clients are not expected to act jointly or make any joint decisions and do not intend to form any joint venture or partnership for the purpose of making investments. |

Aditya Birla Sun Life AMC Limited offers Portfolio Management Services business under the name 'Aditya Birla Sun Life AMC Limited - Portfolio Manager'. Currently PMS services are offered under Discretionary, Non-Discretionary, Advisory and Co-investment platforms.

## 4) PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATION FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY

Penalties imposed or directions have been issued by SEBI under the SEBI Act or rules or regulations made thereunder:

a. No penalties/fines have been imposed by SEBI against ABSLAMC for any economic offence and/ or for violation of any securities laws;

b. There are no pending material litigations/legal proceedings against the portfolio manager / key personnel engaged in the portfolio management business activities of ABSLAMC;

c. No deficiency in the systems and operations of the portfolio manager has been observed by the SEBI or any regulatory agency;

d. No enquiry/adjudication proceedings have ever been initiated by the SEBI against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder; and

e. There are no cases pertaining to PMS activities of ABSLAMC, pending before the Consumer Redressal Forums, Civil Courts and High Courts.

## 5) SERVICES OFFERED

ABSLAMC, drawing on its vast experience of over thirty years in investment management in the mutual fund industry, currently offers Portfolio Management Services styled as '**Aditya Birla Sun Life AMC Limited - Portfolio Manager**' across both Equity and Debt asset classes to high-net-worth individuals and entities seeking wealth management services. The Portfolio Manager offers Portfolio Management services under Non-Discretionary, Discretionary, Advisory and Co-investment categories to its prospective clients.

### I. Advisory Services

In terms of the SEBI (Portfolio Managers) Regulations, 2020, shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy, investment and divestment of individual securities of the Client's Portfolio, for an agreed fee structure, entirely at the Client's risk; to all eligible category of Investors who can invest in Indian market including NRIs, FPIs, etc.

### II. Non-Discretionary Portfolio Management Services

The choice as well as the timings of the investment decisions rest solely with the Client. The Portfolio Manager shall manage the funds in accordance with the directions of the Client. The role of the Portfolio Manager is merely to provide non-binding advice to the Client and the final decision shall rest solely with the Client on the management of his/hers/its Portfolio.

**i) Investment Objective:**
To generate long term capital appreciation from a portfolio of underlying holdings across listed and up to 25% of the Assets Under Management (AUM) in unlisted securities. The underlying holdings will be selected in accordance with research capabilities of ABSLAMC and the investor's discretion & guidelines. The investments could be 100% in unlisted securities in case of Large Value Accredited Investors with ticket size greater than Rs. 10 Crores.

**ii) Benchmark: N.A.**

**iii) Minimum Account Size:**
Rs. 50 lakh or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations. For large value Accredited Investors, minimum investment amount would be Rs. 10 Crores.

**iv) Investment Strategy:**
ABSLAMC shall take investors' view & guidance in documented template to be established for each investor's' portfolio. These inputs will clarify on security level, instrument level, industry level, and asset class level preferences. The extent of investors' involvement in investment decision shall also be documented. These inputs shall only be the starting point for the investment process and shall be supplemented with ABSLAMC's research process and deal execution platform. The company / security for being part of final universe shall have to satisfy the various parameters as per ABSLAMC research.

ABSLAMC may, from time to time, review and modify the research strategy if such changes are considered to be in the best interests of the investors and if market conditions warrant it.

Investments in securities and instruments not specifically mentioned earlier may also be made, provided they are permitted by SEBI/RBI and approved by the Trustee.

v) **Recommended Investment Horizon:**
At least 3 years.

vi) **Redemption:**
Daily, on best effort basis as per liquidity available in the underlying Equity portfolio. The underlying Debt instruments (including Real Estate) shall be held by the investor till maturity. Portfolio manager may offer liquidity on best efforts basis.

Portfolio manager at his discretion may choose to distribute to the investors any returns made by the portfolio through interest, dividend or return of capital by the issuers subject to them maintaining minimum threshold of investment value in the portfolio in line with the regulations.

vii) **Risk Factors:**
Equity Investments: Equity Market Risk, Concentration Risk and Liquidity Risk shall exist for any investment in listed/unlisted companies or in Pre IPO investments.

Debt Investments: Common risks associated with investments in fixed income and money market securities will include Interest Rate risk, Liquidity Risk, Credit Risk, Reinvestment Risk, Pre-payment Risk and Concentration Risk.

The details of non-discretionary portfolio services offered by ABSLAMC are detailed below:

**a. ABSL CUSTOMISED REAL ESTATE PORTFOLIO (NDPMS)**

i. **Investment Objective**: To generate accrual oriented higher yields on portfolio through private credit / investment opportunities in the Indian Real Estate market. There can be no assurance that the portfolio will achieve its investment objective.

ii. **Benchmark**: Crisil Composite Bond Index.

iii. **Minimum Account Size**: Rs. 50 lakhs or such other amount as may be agreed mutually, subject however in excess of the amount to comply with applicable SEBI Regulations. For large value Accredited Investors, minimum investment amount would be Rs. 10 Crores.

iv. **Strategy:** Debt (Privately Placed Unlisted Unrated Secured Redeemable Debt Instruments).

v. **Investment Approach**: The Portfolio Manager may present various credit / investment opportunities in the Indian real estate sector to the Investor / Client and provide various information in relation thereto to the Investor / Client. The investment opportunities will usually relate to real estate credit investments in well-established and growth oriented and upcoming locations in tier 1 cities (such as metropolitan areas of Mumbai, Bengaluru, Pune, NCR, Hyderabad, Chennai, Kolkata, etc.).

The Portfolio Manager may also provide non-binding advice to the Investor / Client based on the research it has carried out. The role of Portfolio Manager shall be limited to providing information to the Investor / Client in relation to the investment opportunity and providing any execution and monitoring services, if opted for, in relation thereto (as maybe requested by the Investor / Client, and subject to execution of such documentation as may be deemed appropriate by Portfolio Manager in this regard).

The Investor / Client shall be liable to evaluate the prospective investment opportunities including commercial, technical, financial, legal and secretarial aspects independently. Any investment shall be entirely and solely upon the express instructions of the Investor / Client at its/his/her sole risk. The Portfolio Manager shall also be under no obligation to assess the prudence of any instructions given by the Investor / Client or to give any particular advice in relation thereto and would be justified in solely acting on the Investor / Client's instructions.

**vi. Any other terms**

The securities shall be held by the Investors / Clients till maturity unless permitted otherwise.

Until such time that the Portfolio Manager makes an investment, the Investor / Client agrees that the corpus would be invested in Aditya Birla Sun Life Mutual Fund Liquid schemes, and the Client hereby consents to the same. The returns thus earned will be returned to the Investor/Client when the Portfolio Manager provides periodic returns to the Investor/Client.

If within 90 days of banking cheques / receiving monies from the Investor / Client, the Portfolio Manager is unable to invest the corpus, then the amount would be respectively returned to the Investor / Client along with the income earned from investing the same in liquid funds as mentioned above. In such case PMS will charge management fees upto INR 1200 per annum from the Investor / Client. Further, the Portfolio Manager can extend the term beyond 90 days with the written consent of the Investor / Client.

The IRR (if applicable) will be triggered for an Investor / Client from the day the Portfolio Manager makes an investment after receiving instructions from the Investor / Client. Portfolio Value for all Investors / Clients will be at par and no premium / compensating contribution will be charged to the subsequent Investors / Clients.

**vii. Risk Factors & Disclaimers**

- The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities, Mutual Funds, Real Estate as stated in section 6 of the Disclosure Document. In addition to the aforesaid risk factors, following are the additional risk factors associated with varied investments:

  **Risk Factors associated with investments in Real Estate:**

  - Regulatory Risk: There may be adverse impact of changes in the development regulations/policies which are defined by the local municipalities/authorities. The project potential is dependent upon the regulations defined by the local authorities which are subject to change from time to time. This may impact the valuation of the project as the revenues flow from the area potential of the projects.

- Counter party risk: The counter party for deals are real estate developers who might have multiple ongoing projects and in case there is a cross default clause in the documents of another project which is not performing or is stuck, then the other lender/partner may call out the cross-default clause which may impact the subject project cashflows and hence the security. Due to the nature of the business the developers may be influenced by political forces and would impact the project. Many of the projects are executed under a Joint Development Agreement (JDA) wherein there is a land owner and a developer. There are possibilities of disagreement between the two on the agreed position and / or decisions to be taken on the project post entering into the JDA which may impact the project and delay execution and hence the completion.
- Sales Risk: The value of the project is monetized only through sales. Any reduction in demand or increase in the supply of real estate or potential reduction in demand or increase in the supply of real estate (whether developed or undeveloped) may lead to periods of oversupply and result in lower sale prices. Newly developed real estate projects may be disproportionately affected by fluctuations in demand and supply. The sales depend on multiple factors such as location, supply, connectivity, infrastructure, social infrastructure, configuration and external factors such as economic condition and home loan rates impacting the affordability.
- RERA and Litigation Risk: There is a central act and which mandated the states to prepare their rules in tandem with the Centre's regulations. Any adverse change in the RERA or litigation by buyers or RERA authorities on the project may impact the project value.
- The Portfolio Manager does not intend to invest in Foreign Securities.
- The Portfolio Manager does not intend to engage in short selling or stock lending.

**b. ABSL CUSTOMISED DEBT PORTFOLIO (NDPMS)**

i. **Investment Objective**: The Portfolio seeks to offer growth of capital by investing in debt securities and is ideally suited for investors seeking moderate to high returns with lower volatility and moderate risk. Investors under this product could have one or more of the following investment objectives viz. maximization of return, regular income, risk-adjusted returns and absolute returns etc.

ii. **Benchmark:** Crisil Composite Bond Index.

iii. **Minimum Account Size**: Rs. 50 lakhs or such other amount as may be agreed mutually, subject however in excess of the amount to comply with applicable SEBI Regulations. For large value Accredited Investors, the minimum investment amount would be Rs. 10 Crores.

iv. **Strategy:** Debt.

v. **Investment Approach:** Investment decisions are taken keeping in mind the investment objective and mandate. Fund managers follow both top-down as well as bottom-up approach to maximize risk-adjusted returns.

The top-down approach involves study of general economy to assess the health of the economy through various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, deseasonalising which help in forecasting each variable and positioning the portfolio in line with the expectation etc. This forms the basis for Portfolio Manager's view on the overall well-being of the economy and consequently which sectors or industries will do better. Given the assessment of the economy and each industries, the Portfolio Manager allocates a portfolio of individual securities across the relevant industries.

The Bottom-Up investments approach focuses on the analysis of individual company. In bottom-up investing, therefore, the focus is on a specific company rather than on the industry in which that company operates or on the economy.

Risk mitigation strategies like concentration limit, average duration, liquidity, credit quality, covenants, and collateral coverage are also strictly followed to keep risk within acceptable limits and minimize losses should a default occur.

Investments are always carried out in securities from an approved universe. Detailed discussion is carried out in the investment committee and based on the risk assessment limits are approved to be included in the debt universe. Strict review policy is also in place for the investment universe to ensure timely addition/deletion of securities from the list.

Based upon the view formed by the Portfolio Manager, the investment / disinvestment decisions are taken, and relevant trades are passed on to the dealing team which ensures the timely execution of Fund Manager's orders at best possible levels.

**vi. <u>Investment Strategy:</u>**

It would include a level of dynamism in portfolio management (buy and hold v/s active management), credit selection, a mix of bonds & Government Securities, mix of short & long term securities and an allowable mismatch between investor's investment horizon and maturity of the instruments etc. The portfolio manager may use one or many strategies in an endeavor to achieve the stated objective(s).

**vii. <u>Any other terms</u>**

**Investment Universe:** At times, investor might want to provide conditional approval for certain securities or might want to be consulted before outside-of-universe opportunities come up. A negative list of types of securities and sensitive sectors will also be identified and listed down. Under Investment Universe, all such conditions would be defined.

**Investment Criteria:** This would stipulate the restrictions in terms of single security duration, overall portfolio duration, credit quality as defined in terms of instrument rating, maximum concentration level (in terms of weight to AUM and number of securities) in the portfolio or any other criteria.

**Tenure of the Portfolio:** Tenure could be anywhere between 3 months to 3 years, depending on investors' investment horizon. However, the portfolio manager can invest in underlying instruments with higher maturity basis specific client requirements.

**Lock in or Redemption Terms**: Lock in period, redemption frequency and associated exit load etc. would be stipulated. Whether part payment will be allowed or not will also be clarified for redemptions made during the exit load period.

**viii. <u>Risk Factors & Disclaimers</u>**

The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

## III. Discretionary Portfolio Management Services

ABSLAMC offers various investment theme based portfolios to allow for standardized customization in sync with investor profile and a pure custom portfolio with a higher threshold initial investment.

The details of discretionary portfolio services offered by ABSLAMC are detailed below:

### i. <u>ABSL CORE EQUITY PORTFOLIO</u>

**i) Investment Objective:**
Invest in quality businesses that are central to Indian growth story. Identify and participate in growth of these businesses over medium to long term. Investment decisions will be based on attractive valuation with margin of safety.

**ii) Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro economic factors & industry growth characteristics. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is a Multicap portfolio unconstrained by any market segments like market capitalization (large cap – mid cap), sectors, themes etc.

**iii) Benchmark:** Nifty 50 TRI.

iv) **Strategy:** Equity.

**v) Minimum Account Size:**

Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**

The investment strategy involves the following:

- Invest in quality businesses that are core to Indian Growth Story
- Portfolio of companies in industries with favorable operating dynamics – Focus on businesses that have consistently created VALUE
- Buy quality growth stocks at a discount to their intrinsic value
- Stock selection and industry allocation independent of benchmark weights
- A diversified portfolio with ~20-30 quality companies
- A cap of 10% on individual stock at cost
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes
- No Investment in Foreign Securities
- No Short Selling or Stock Lending

**vii) Risk Factors:**

The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in this document.

**Risks associated with Investing in Foreign Securities:**

The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**

The Portfolio Manager does not intend to engage in short selling or stock lending.

**viii) Any other terms:**

The recommended investment horizon shall be at least 3 years.

**ii. <u>ABSL SELECT SECTOR PORTFOLIO</u>**

**i) Investment objective:**

The investment objective of the portfolio is to generate long-term capital appreciation and reasonable income in the form of dividends by investing in equity and equity related securities. Invest in high quality businesses in Sectors with consistent Growth and ROE by identifying and participating in growth of these businesses over medium to long term. Investment decisions will be based on attractive valuation with margin of safety.

**ii) Investment Approach:**

The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features like High quality with consistency in growth, high ROE, low leverage & high potential for growth. This would be predominantly a Small & Midcap oriented portfolio. Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro-economic factors & industry growth characteristics.

**iii) Benchmark:** BSE 500 TRI.

iv) **Strategy:** Equity.

v) **Minimum Account size:**
Rs. 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**

- Focus on select sectors with strong operating dynamics and growth visibility
- Seek to co-own high quality businesses with consistent Growth and ROE profile across the identified sectors
- Stock selection and industry allocation independent of benchmark weights
- Buy quality growth stocks at a discount to their intrinsic value to focus on higher longer term returns
- Build a focused portfolio of ~20-30 high quality companies
- A cap of 10% on individual stock at cost
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes.

vii) **Risk Factors:**
The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**Recommended Investment Horizon**
The recommended investment horizon shall be at least 3 years.

### iii. <u>ABSL INDIA LARGE CAP QUANT EQUITY PORTFOLIO</u>

i) **Investment objective:**
To construct optimal focused portfolio of large cap securities to significantly outperform Nifty with the risk lesser than the benchmark (Nifty 50). Under normal circumstances, the portfolio will contain 15 to 30 stocks with the investment universe defined as stocks in Nifty 50.

ii) **Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features like high quality with consistency in growth, high ROE, low leverage & high potential for growth. It is predominantly a Large Cap oriented portfolio which uses momentum factors for quant-based investing. The portfolio primarily uses extensive quantitative models to select stocks, with limited fund manager discretion.

iii) **Benchmark:** Nifty 50 TRI.

iv) **Strategy:** Equity.

v) **Minimum Account Size:**
Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment strategy:**
The portfolio will invest 80-100% in equities and restricts the universe to stocks that comprise the Nifty 50. The investment strategy is an active quantitative driven portfolio construction strategy. The process evaluates risk and returns for each of the stocks in the universe. Return for each stock is calculated using Momentum factors which include stock price momentum and market beta. Risk for each stock is evaluated by forecasting volatility for each stock. Once the return and risk for each of the stocks is evaluated, portfolio is optimised to provide the best risk adjusted portfolio from the various combinations possible. This portfolio is held for a fixed period before rebalancing. The portfolio may also invest in derivative instruments to hedge the portfolio during volatile market conditions. The maximum exposure towards any security would be 12%. The portfolio will have a sector cap of 20% above the benchmark weightage. These percentages would be adhered to at the point of investment in a stock.

The portfolio would be rebalanced normally every forty trading days. However, in between the rebalance periods, the risk of the portfolio is monitored and categorized based on quantitative and qualitative factors that may warrant any in between rebalancing activity. The quantitative factor measures the forecasted volatility of the market and the portfolio every fortnight and if the portfolio or market risk increases significantly, i.e.1.5 standard deviation more than its long term volatility then the entire rebalancing activity with fresh set of data points is carried out.

Qualitative factors are news and information based and are monitored on a daily basis. If fresh news and information comes in the market regarding any particular stock within the portfolio that exhibits potential business risk due to regulatory sanctions, corporate governance issues, corporate actions or fraud accusations, those stocks would be replaced by the market beta i.e. NIFTY ETF till the next rebalancing activity date.

On account of in between rebalance activity due to the overall increase in the portfolio or market risk as defined above the normal window of forty days rebalancing would change and would restart from the day of latest rebalancing activity. However the cases wherein the stocks have been excluded and replaced by Nifty ETF the portfolio would continue to follow the old rebalancing window. Hence, depending upon the nature of the risk, the in-between portfolio monitoring and reviewing may either require a full rebalancing activity i.e. executing the entire rebalancing process again or replacing the affected stock by Nifty ETF till the next rebalance activity date.

The portfolio also proposes to invest in derivative instruments. However, the portfolio manager does not intend to write options. The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds.

vii) **Risk Factors:**

- The portfolio shall be subject to risk factors associated with investments in Equity & Equity related instruments, derivatives, ETF/mutual fund schemes and Quant based investing as specified in section 6 of this document.
- The Portfolio Manager shall not be responsible for any higher tracking error or higher drawdown, which may be inherent in some of the strategies by its very nature.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

## iv. ABSL INDIA 200 QUANT EQUITY PORTFOLIO

**i) Investment objective:**
To construct an optimally focused portfolio of large & mid cap securities to significantly outperform BSE-200 Index with the risk lesser than the benchmark (BSE-200 Index). There can be no assurance that the Fund will achieve its investment objective.

**ii) Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features like high quality with consistency in growth, high ROE, low leverage & high potential for growth. Investment universe is restricted to BSE 200 companies & the portfolio uses quant investing strategy. The portfolio primarily uses extensive quantitative models to select stocks, with limited fund manager discretion.

**iii) Benchmark:** BSE 500 TRI.

**iv) Strategy:** Equity.

**v) Minimum Account Size:**
Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

**vi) Investment strategy:**
The portfolio will invest 80-100% in equities and restricts the universe to stocks that comprise the BSE-200 Index. The investment strategy is an active quant-based strategy. The process evaluates risk and returns for each of the stocks in the universe (BSE-200 Index). Return and risk of each stock are dependent on myriad variables like price, volatility, accounting variables, derivatives position etc. Our endeavor is to mesh all these sources of data into coherent strategy which produces superior returns with lowest possible risk. This portfolio is normally held for a quarter before a rebalance, but this period may vary based on market conditions. The portfolio may also invest in derivative instruments to hedge the portfolio during volatile market conditions.

**vii) Asset Allocation:**
Equity shares of Large Cap companies – 50 – 100% *

Equity shares of Mid Cap companies – 0-50%*
Cash/liquid funds/money market instruments – 0-20%
*the allocation limits for large cap and mid cap stocks apply to the equity portion of the portfolio

There could be high levels of cash in the portfolio for short periods of time, especially during rebalancing periods. However, the asset allocation shall be complied with at the time of initial investment and at the time of rebalancing. If, in between rebalance periods the portfolio risk changes significantly, then the Portfolio Manager may rebalance the portfolio. The maximum exposure towards any security would be 12%. The portfolio will have a sector cap of 20% above the benchmark weightage. These percentages would be adhered to at the point of investment in a stock.

The portfolio would be rebalanced on a quarterly basis. However, in-between the rebalance periods, the risk of the portfolio is monitored and categorized based on quantitative and qualitative factors that may warrant any in between rebalancing activity. Quantitative factors could refer to price movement, heightened volatility, earnings numbers or derivatives position change.

Qualitative factors are based on market & stock specific news and information and are monitored on a daily basis. If fresh news and/or information comes in the market regarding any particular stock within the portfolio that exhibits potential business risk due to regulatory sanctions, corporate governance issues, corporate actions or fraud accusations, those stocks could be replaced by any other stock or by market beta i.e. NIFTY ETF till the next rebalancing activity date.

As and when BSE announces the change in index constituents and/or change in the methodology of calculation of BSE-200 Index, the Portfolio Manager may change the investible universe accordingly. Such changes may be carried out from or after announcement date.

The portfolio also proposes to invest in derivative instruments. However, the portfolio manager does not intend to write options.

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds.

**viii) Risk Factors:**

The portfolio shall be subject to risk factors associated with investments in Equity & Equity related instruments, derivatives, ETF/mutual fund schemes and Quant based investing as specified in section 6 of this document.

The Portfolio Manager shall not be responsible for any higher tracking error or higher drawdown, which may be inherent in some of the strategies by its very nature.

## v. ABSL ADAPT PORTFOLIO

Note: ADAPT stands for Active and Dynamic Asset Allocation Portfolio.

**i) Investment objective:**

ABSL ADAPT Portfolio is a Multi Asset product which uses Active and Dynamic Asset Allocation to generate long term capital appreciation by investing in multiple asset classes according to risk return profile of investors. ABSL ADAPT offers 5 different investment options based on different client profiles. The investment options are classified as Very Conservative, Conservative, Moderate, Aggressive, and Very Aggressive.

*ADAPT stands for Active and Dynamic Asset Allocation Portfolio.*

**ii) Investment Approach:**
The portfolio invests or proposes to invest in multiple asset classes as per the risk return profile of the investor. The asset classes include – Equity, Debt, Commodity, Cash & Global Products. Quant based screening is used along with the fund manager inputs for asset allocation purposes. The portfolio primarily uses extensive quantitative models to select stocks, with limited fund manager discretion.

**iii) Benchmark & Strategy:**

| Risk Profile | Strategy | Benchmark |
|---|---|---|
| Very Aggressive | Equity | Nifty 50 TRI |
| Moderate | Debt | Crisil Composite Bond Index |
| Very Conservative | Debt | Crisil Composite Bond Index |
| Aggressive | Equity | Nifty 50 TRI |
| Conservative | Debt | Crisil Composite Bond Index |

**iv) Minimum Account Size:**
Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

**v) Investment strategy & Asset Allocation:**

The strategy proposes to invest in multiple asset classes which would comprise of:

The strategy proposed to invest in multiple asset classes comprising of Equity (Direct equities, mutual funds, ETFs), Debt (mutual funds, ETFs), commodity (ETFs), Cash (mutual funds) and Global Products (global feeder funds domiciled in India).

The ABSL ADAPT strategy will have five variants (portfolios) based on different client risk profiles. The asset allocation will vary for the five portfolios and the investment solution adds value and manages risk through active management across each stage of the investment process. The portfolio construction process is driven by a quant model along with the flexibility to incorporate views of the Portfolio Manager.

The five different portfolios available under the strategy have been defined as given below.

| Risk Profile | Description |
|---|---|
| Very Conservative | This is suited for investors with very low risk appetite. The portfolio is oriented towards capital protection with minimal risk to principal |

| | |
|---|---|
| | invested. The portfolio will invest in assets classes with low prevalent risk and allocation of assets would be determined in such a way that in bad market conditions, the risk on principal is minimized. |
| Conservative | This is suited for investors with low risk appetite who are willing to expose a portion of their portfolio to asset classes with higher prevalent risk to generate potential higher returns than the “Very Conservative Portfolio”. This can expose the principal invested to a higher risk than “Very Conservative Portfolio”. |
| Moderate | This is suited for investors with average risk appetite who are willing to expose a meaningful portion of their portfolio to asset classes with higher prevalent risk to generate potential higher returns than the “Conservative Portfolio”. This can expose the principal invested to a higher risk than “Conservative Portfolio”. |
| Aggressive | This is suited for investors with high risk appetite who are willing to expose a large portion of their portfolio to asset classes with higher prevalent risk to generate potential higher returns than the “Moderate Portfolio”. This can expose the principal invested to a higher risk than “Moderate Portfolio”. |
| Very Aggressive | This is suited for investors with very high risk appetite who are willing to expose their portfolio to asset classes with very high prevalent risk to generate potential higher returns than the “Aggressive Portfolio”. This can expose the principal invested to a very high risk than “Aggressive Portfolio”. |

**Note:** The strategy aims for return to suit the risk profiles and invests in multi asset classes. Hence the benchmarks stated above may not be strictly comparable.

**vi) Risk Factors:**

- The portfolio shall be subject to risk Factors associated with investments in Equity & Equity related instruments, derivatives, ETF/mutual fund schemes and Quant based investing as specified in section 6 of this document.

- The Portfolio Manager shall not be responsible for any higher tracking error or higher drawdown, which may be inherent in some of the strategies by its very nature.

**Risks associated with Investing in Foreign Securities:**

The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**

The Portfolio Manager does not intend to engage in short selling or Stock Lending.

**Portfolio Specific Risk Factors applicable to ABSL ADAPT Portfolio:**

- The value of the Portfolio investments may be affected generally by various factors affecting securities markets, including price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments. Consequently, the Portfolios may fluctuate and can go up or down.

- Liquidity of the investments made by the Portfolio may be restricted by the trading volumes, settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The Portfolios can go up and down because of various factors that affect the capital markets in general.
- The monies to the extent invested in Debt and Money market securities, are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the holdings and thus the value of the Portfolios.
- The monies to the extent invested in Debt & Money market securities or Debt & Money market mutual fund schemes, are subject to credit risk and interest rate risk associated with the portfolio and underlying securities. Though the liquidity is provided daily by the underlying mutual funds or ETF manufacturers, there can be markets conditions of delayed liquidity.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges.
- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields. This may increase the risk of the portfolio.
- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio and may lead incurring losses till the security is finally sold.
- The Portfolio may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument but also of the derivative itself. Other risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- The Portfolio Manager may not be able to lend out securities which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- The tax implications provided in this document is for general purposes only and is based on advice that the Portfolio Manager has received regarding the law and the practice that is currently in force in India and the client should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of

investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each client is advised to consult his/her own professional tax advisor.

- All investments under the Portfolio carry an inherent risk due to several factors such as market conditions. The Portfolio Manager would not be liable for any loss caused to the investor by reason of an investment advice made by or on behalf of the investor, whether on the advance of the Portfolio Manager or otherwise. They will however ensure that reasonable care and skill are employed while tendering such advice or making investments on behalf of the client.
- The Portfolio Manager does not guarantee any capital protection for any of the risk profiles. The portfolio manager would attempt to stay within the risk bands for each of the risk profiles on a best effort basis.
- The Portfolio Manager is not responsible for risk profiling of prospective and existing investors. The investor should read the disclosure document and terms and conditions of the product properly before making any investment decision.
- The Portfolio Manager would be acting on the advice of experts in the relative fields but would not be responsible for any loss occasioned by any act or omission on the part of such persons.
- To implement a decision of the client regarding investments, the Portfolio Manager would have to employ the services of persons and bodies who are not the Portfolio Manager's employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.
- The Portfolio Manager will not be liable for any financial loss arising from the Portfolio Manager not being able to sell the shares on behalf of the client before they are replaced, in case the original shares are lost or stolen whilst shares were in transit.
- The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the client.
- The Portfolio Manager may invest in the units issued by SEBI registered Venture Capital Fund (the Fund). Many of such investments made by the Fund may be illiquid, and there can be no assurance that the Fund will be able to realize profits on its investments in a timely manner. Since the Fund may make only a limited number of investments and these may involve a high degree of risk, poor performance by even a few of these investments could lead to adverse effects on the returns received by investors.
- The Portfolio Manager shall not be responsible for any higher tracking error or higher drawdown, which may be inherent in some of the strategies by its very nature.
- The Portfolio Manager shall not be responsible/liable in cases where certain strategies might have higher stock concentration since they may focus on investing into sectors and optimized stocks within these sectors.
- The Portfolio Manager would not be responsible for higher turnover in any of the strategy during certain periods, due to Portfolio Manager's high allocation to a particular sector in such strategy, leading to such higher turnover.

## vi. ABSL CUSTOMIZED EQUITY PORTFOLIO

Investing in today's market environment, especially equity has become more complex than ever. To generate sustainable alpha, investors need a comprehensive team, well established processes for managing portfolios and monitoring performance and also robust risk management framework. Investors can either build these capabilities or just complement their existing capabilities by awarding the investment / advisory mandate to a Portfolio Management Services (PMS).

Through a customized Equity Portfolio, investors can have the flexibility to tailor their portfolio in accordance to their specific investment preference thereby giving the benefit of having a higher level of portfolio reviews.

The Portfolio allows each investor to define the terms of portfolio management based on the risk profile and return expectations. Potentially, each investor under this product could have unique terms of portfolio management.

i) **Investment Objective:**
This shall describe the key feature / theme of each portfolio launched under the Customized Equity Portfolio. To be mutually agreed upon by the portfolio manager and the client. For example, Capital Growth, Income generation, Large Cap bias, Dividend Yield Focused, etc.

ii) **Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation &/or income in the form of dividends &/or bias towards any market cap segment etc. as mutually agreed by the client & fund manager. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features like High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is a portfolio which can be tailored as per the specific investment preference of the client. Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro-economic factors & industry growth characteristics.

iii) **Benchmark:** Nifty 50 TRI.

iv) **Strategy:** Equity.

v) **Minimum Account Size:**
Rs. 50 Lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**

The client wishes his/her portfolio to be customized with what return/income expectation and therefore, the Portfolio Manager would be quite flexible in their investment approach.

The portfolio manager may deploy any one or more of the portfolio styles with a view to achieve desired portfolio results. The portfolio manager therefore, will also have flexibility in choosing stocks from within the investment universe, limit the number of stocks to a certain maximum for efficient monitoring and assign sector/stock weights appropriately. The portfolio manager may use one or many strategies in an endeavor to achieve the stated objective(s).

Investment Universe: At times, investor might want to provide conditional approval for certain securities or might want to be consulted before outside-of-universe opportunities come up. A negative list of types of securities and sensitive sectors will also be identified and listed down. Under Investment Universe, all such conditions would be defined. Such Universe could also be determined through the Investment strategy followed.

**vii) Risk Factors:**
The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors associated such investments specified in Risk Factors of this document (Section 6).

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**vii. ABSL TOP 200 CORE EQUITY PORTFOLIO**

Top 200 Core Equity Portfolio is a large cap focused product offering greater liquidity and growth at reasonable value investing approach for a longer horizon.

**i) Investment Objective:**
Invest in quality large cap (market cap range of BSE 200) businesses that are central to India growth story. Identify and participate in growth of these businesses over medium to long term. Practice Value Investing while making investment decisions.

**ii) Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features likeHigh quality with consistency in growth, high ROE, low leverage & high potential for growth. It is predominantly a Large cap oriented portfolio. Stock selection is done through a combination of ‘Bottom up’ approach i.e. analyzing the fundamental attributes of the company & competition & ‘Top down’ approach i.e. analyzing the macro economic factors & industry growth characteristics.

**iii) Benchmark:** Nifty 50 TRI.

**iv) Strategy:** Equity.

**v) Minimum Account Size:**

Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

**vi) Investment Strategy:**

- Invest in quality businesses that are core to India Growth Story
- Portfolio of companies in industries with favorable operating dynamics – using value investing approach
- Buy quality growth stocks at a discount to their intrinsic value
- Stock selection and industry allocation independent of benchmark weights
- A diversified portfolio with ~25-30 quality companies
- A cap of 10% on individual stock at cost
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes.
- No Investment in Foreign Securities
- No Short Selling or Stock Lending

**vii) Risk factors:**

The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in Section 6 of in this document.

**Risks associated with Investing in Foreign Securities:**

The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**

The Portfolio Manager does not intend to engage in short selling or stock lending.

**viii) Any other terms:**

Recommended Investment Horizon:

At least 3 years.

## viii. ABSL INDIA SPECIAL OPPORTUNITIES PORTFOLIO

**i) Investment Objective:**

The investment objective of the portfolio is to invest in stocks that are primed to benefit from the catalysts, including but not limited to the following catalysts: micro turnaround, macro turnaround, management change, deleveraging, demerger, mid to large-cap potential and secular growth names.

**ii) Investment Approach:**

The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. ISOP portfolio aims to invest in stocks that are prined to benefit from the following catalysts – Micro turnaround, Macro turnaround, Management Change, Deleveraging, Demerger, Mid to Largecap potential and Secular growth companies. It is a Multicap portfolio. Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro economic factors & industry growth characteristics.

iii) **Benchmark:** BSE 500 TRI.

iv) **Strategy:** Equity.

v) **Minimum Account Size:**
Rs. 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**

- The core focus would be on companies that are primed to benefit from the catalysts mentioned below:
  - Micro Turnaround (market share gain, new product launch etc)
  - Macro / Change in business cycle
  - Management Change
  - Deleveraging
  - Demerger
  - Mid to Large Cap Potential
  - Secular Growth Names
- Idea is to look at stocks which have catalysts that will help unlock value over the next 2-3 years
- Multi cap portfolio of approximately 20-30 stocks
- To exploit the inefficiencies in the market that leads to mispricing of stocks that are fundamentally strong
- Buy companies with:
  - Strong Balance Sheets
  - Good Capital allocation track record
  - High return on capital over a longer time frame
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes.

vii) **Risk Factors:**

The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

viii) **Any other terms:**
The recommended investment horizon shall be minimum of three years.

## ix. ABSL NEXT 100 Portfolio

i) **Investment Objective:**
The Portfolio will primarily invest in top 150 stocks (excluding NIFTY 50), with an aim to deliver returns higher than benchmark, by taking lower risk/volatility versus pure Small Cap & Midcap strategies.

ii) **Investment Approach:**
The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation & income in the form of dividends. It can also invest in money market instruments & units of mutual fund. Investee companies will have the features like high quality with consistency in growth, high ROE, low leverage & high potential for growth. Investment will be done predominantly in top 150 companies by market cap as per AMFI (excluding Nifty 50 companies). Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro-economic factors & industry growth characteristics.

iii) **Benchmark:** Nifty 50 TRI.

iv) **Strategy:** Equity.

v) **Minimum Account Size:**
Rs. 50 lakhs or such other amount as may be agreed mutually, subject however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**

- NIFTY Next 100 stocks captures the sweet spot between Large Caps and Mid-Caps:
  - Perfect balance of Growth & Quality.
  - Characterized by years of resilient performance and growth.
  - Well diversified across secular sectors, with less exposure to commodity cyclicals.
  - Less volatile than Mid and Small Cap Indices and offers higher growth potential than top 50 stocks.
- Multi cap portfolio of approximately 20-30 stocks.
- Predominant part of the portfolio would be in Nifty Next 100 stocks (top 150 stocks by market cap excluding stocks that are part of NIFTY 50 Index).
- Exposure to Top 50 stocks in terms of market capitalization would be less than 30%.
- Exposure to Stocks outside Nifty Next 100 stocks would be up to 35%.
- Buy companies with:
  a. Strong Balance Sheets
  b. Good Capital allocation track record
  c. High return on capital over a longer time frame
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes.

vii) **Risk Factors & Disclaimers**

The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**viii) Any other terms**
Tenure: Minimum 3 years from the date of investment.

## x. ABSL INNOVATION PORTFOLIO

**i) Investment Objective:** The objective is long term wealth creation with lower volatility. The Portfolio would be invested in companies which are beneficiaries of the fast changing landscape across industries and create business value by actively innovating across business models, product and pricing strategies and customer experience.

**ii) Investment Approach:**

The portfolio invests or proposes to invest in listed equity & equity related instruments with the aim of generating long term capital appreciation &/or income in the form of dividends &/or bias towards any market cap segment etc. as mutually agreed by the client & fund manager. It can also invest in money market instruments & units of mutual fund. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is a portfolio which can be tailored as per the specific investment preference of the client. Stock selection is done through a combination of 'Bottom up' approach i.e. analyzing the fundamental attributes of the company & competition & 'Top down' approach i.e. analyzing the macro economic factors & industry growth characteristics.

**iii) Benchmark:** BSE 500 TRI.

**iv) Strategy:** Equity.

**v) Minimum Account Size**:
Rs. 50 lakhs or such other amount as may be agreed mutually, subject to however in excess of the amount to comply with applicable SEBI Regulations.

**vi) Investment Strategy:**

- Identify companies which create business value by actively innovating across products/processes.
- Stock selection and industry allocation independent of benchmark weights.
- Around 65-100% of the portfolio will be invested in companies under innovation framework & balance in secular growth companies.
- Own high quality businesses with healthy Growth, ROE and cash flow profile.
- A diversified multicap portfolio with ~20-30 quality companies.

- A cap of 10% on individual stock at cost.
- Derivatives exposures in the portfolio will be in line with SEBI guidelines and will be taken only for hedging purposes.

**vii) Risk Factors & Disclaimers**

The Product intends to invest in Equity & Equity related securities, Derivatives and Liquid Funds and shall accordingly be subject to risk factors specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**viii) Any other Term**
Tenure: Minimum 3 years from the date of investment.

## xi. ABSL ASSET LINKED PORTFOLIO

**i) Investment Objective:**
The Portfolio seeks to offer growth of capital by investing in debt securities. Returns / coupon on these securities will be linked to Index / Stocks / Securities / Schemes of various asset classes. These securities may be based in India / overseas. The portfolio is ideally suited for investor seeking moderate to high returns with lower volatility and moderate risk.

**ii) Investment Approach:**
The Portfolio Manager seeks to invest in debt securities which may be based in India / overseas. The Portfolio manager may at his discretion invest upto 100% of the assets in these securities. These instruments will be rated above investment grade by an accredited rating agency.

Fund managers follow both top-down as well as bottom-up approach to maximize risk-adjusted returns.

The top down approach involves study of general economy to assess the health of the economy through various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, de-seasonalising which help in forecasting each variable and positioning the portfolio in line with the expectation etc. This forms the basis for Portfolio Manager's view on overall well-being of the economy and consequently which sectors or industries will do better. Given the assessment of the economy and each industries Portfolio Manager allocates a portfolio of individual securities across the relevant industries.

The Bottom-Up investments approach focuses on the analysis of individual company. In bottom-up investing, therefore, the focus is on a specific company rather than on the industry in which that company operates or on the economy.

Risk mitigation strategies like concentration limit, average duration, liquidity, credit quality, covenants, and collateral coverage are also strictly followed to keep risk within acceptable limits and minimize losses should a default occur.

Investments are always carried out in securities from an approved universe. Detailed discussion is carried out in the investment committee and based on the risk assessment limits are approved to be included in the debt universe. Strict review policy is also in place for the investment universe to ensure timely addition/deletion of securities from the list.

Based upon the view formed by the Portfolio Manager, the investment / disinvestment decisions are taken and relevant trades are passed on to the dealing team which ensures timely execution of Fund Manager's orders at best possible levels.

**iii) Strategy:** Debt.

**iv) Benchmark:** Crisil Composite Bond Index.

**v) Minimum Account Size:**
Rs. 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

**vi) Risk Factors:**
The Product intends to invest in Structured Products whose returns may be fixed / floating. Such securities may yield returns that will be linked to stocks / indices / schemes / securities of various asset classes and shall accordingly be subject to risk factors specified in this document (Section 6).

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**vii) Any other terms:**
The recommended investment horizon shall be minimum one year or till maturity of the security.

## xii. ABSL CUSTOMISED DEBT PORTFOLIO

The product allows each investor to define the terms of portfolio management based on the risk profile and return expectations. Potentially, each investor under this product could have unique terms of portfolio management.

**i) Investment Objective:**
The Portfolio seeks to offer growth of capital by investing in debt securities and is ideally suited for investor seeking moderate to high returns with lower volatility and moderate risk. Investor under this product could have one or more of the following investment

objectives viz. maximization of return, regular income, risk-adjusted returns and absolute returns etc.

ii) **Strategy:** Debt.

iii) **Investment Approach:**
Investment decisions are taken keeping in mind the investment objective and mandate. Fund managers follow both top-down as well as bottom-up approach to maximize risk-adjusted returns.

The top down approach involves study of general economy to assess the health of the economy through various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, de-seasonalising which help in forecasting each variable and positioning the portfolio in line with the expectation etc. This forms the basis for Portfolio Manager's view on overall well-being of the economy and consequently which sectors or industries will do better. Given the assessment of the economy and each industries Portfolio Manager allocates a portfolio of individual securities across the relevant industries.

The Bottom-Up investments approach focuses on the analysis of individual company. In bottom-up investing, therefore, the focus is on a specific company rather than on the industry in which that company operates or on the economy.

Risk mitigation strategies like concentration limit, average duration, liquidity, credit quality, covenants, and collateral coverage are also strictly followed to keep risk within acceptable limits and minimize losses should a default occur.

Investments are always carried out in securities from an approved universe. Detailed discussion is carried out in the investment committee and based on the risk assessment limits are approved to be included in the debt universe. Strict review policy is also in place for the investment universe to ensure timely addition/deletion of securities from the list.

Based upon the view formed by the Portfolio Manager, the investment / disinvestment decisions are taken and relevant trades are passed on to the dealing team which ensures timely execution of Fund Manager's orders at best possible levels.

iv) **Benchmark:** Crisil Composite Bond Index.

v) **Minimum Account Size:**
Rs. 50 Lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations.

vi) **Investment Strategy:**
This section will specify the approach of the portfolio manager to achieve the stated investment objective. It would include level of dynamism in portfolio management (buy and hold v/s active management), credit selection, mix of bonds & G. Sec, mix of short & long term securities, allowable mismatch between investor's investment horizon and

maturity of the instruments etc. The portfolio manager may use one or many strategies in an endeavor to achieve the stated objective(s).

**vii) Risk factors:**

The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**
The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**
The Portfolio Manager does not intend to engage in short selling or stock lending.

**viii) Any other terms:**

- Investment Universe: At times, investor might want to provide conditional approval for certain securities or might want to be consulted before outside-of-universe opportunities come up. A negative list of types of securities and sensitive sectors will also be identified and listed down. Under Investment Universe, all such conditions would be defined.

- Investment Criteria: This would stipulate the restrictions in terms of single security duration, overall portfolio duration, credit quality as defined in terms of instrument rating, maximum concentration level (in terms of weight to AUM and number of securities) in the portfolio or any other criteria.

- Tenure of the Portfolio: Tenure could be anywhere between 3 months to 3 years, depending on investors' investment horizon. However the portfolio manager can invest in underlying instruments with higher maturity basis specific client requirements.

- Lock in or Redemption Terms: Lock in period, redemption frequency and associated exit load etc. would be stipulated. Whether part payment will be allowed or not will also be clarified for redemptions made during the exit load period.

## xiii. ABSL LIQUID PORTFOLIO

**(i) Investment Objective:**
The objective of the strategy is to provide reasonable returns at a high level of safety and liquidity through investments in Liquid Scheme of Mutual Funds.

**(ii) Investment Approach:**
Investment decisions are taken keeping in mind the investment objective and mandate.

Risk mitigation strategies like concentration limit, average duration, liquidity and credit quality, in underlying mutual fund schemes are also strictly followed to keep risk within acceptable limits.

Based upon the view formed by the Portfolio Manager, the investment / disinvestment decisions are taken and relevant trades are passed on to the dealing team which ensures timely execution of Fund Manager's orders at best possible levels.

(iii) **Benchmark:** Crisil Composite Bond Index.

(iv) **Strategy:** Debt.

**(v) Minimum Account Size:**

Rs. 50 lakhs or such other amount as may be agreed mutually, subject to however in excess of the amount to comply with SEBI regulations.

**(vi) Investment Strategy:**

The portfolio will invest the entire net assets in Liquid Scheme of Mutual Funds.

**(vii) Investment Horizon:** The tenure is 3 months

**(viii) Risk Factors:**

The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities and Mutual Fund Schemes as specified in Section 6 of this document.

**Risks associated with Investing in Foreign Securities:**

The Portfolio Manager does not intend to invest in Foreign Securities.

**Risk associated with Short Selling or Stock Lending:**

The Portfolio Manager does not intend to engage in short selling or stock lending.

**xiv. ABSL India Equity Services Portfolio**

**(i) Investment Objective**: To construct an optimally focused portfolio by investing in high quality business leaders with strong service driven business models across market caps & industries. The investments shall be arranged, made, managed and disposed off with the view to providing long-term returns to the Contributors. There can be no assurance that the portfolio will achieve its investment objective.

**(ii) Benchmark:** BSE 500 TRI.

**(iii) Minimum Account Size:** Rs. 50 lakhs or such other amount as may be agreed mutually, subject however in excess of the amount to comply with applicable SEBI Regulations.

**(iv) Strategy:** Equity.

**(v) Investment Strategy:**

The portfolio will invest 80-100% in equities. The Fund seeks to invest in companies that are primed to benefit from the catalysts and secular growth in the services sector, with strong service driven business models by leveraging in-house research for identifying leading companies in the service sector. The Fund may buy into high quality service driven companies with high potential for scale, growth at reasonable valuation. The Fund may invest in conglomerates or businesses where services is an upcoming business vertical or critical constituent in their business model. The Fund shall endeavor to invest in high quality of multi-cap portfolio to help limit the downside risk over a long-term. The above list is merely indicative and not an exhaustive list. The Portfolio Manager may at its discretion, make necessary modifications to the above list based on further studies and research on the industries.

**(vi) <u>Risk Factors & Disclaimers</u>**

- Investments in securities are subject to Market Risks, Concentration Risk, Sector Risk & Liquidity Risk and there can be no assurance or guarantee that the objectives of the product will be achieved. The past performance of the Portfolio Manager in any product is not indicative of the future performance in the same product or in any other product either existing or that may be offered. There is no assurance that past performances in earlier product will be repeated. Actual results may differ materially from those suggested by the forward looking statements due to Key Risks (as mentioned earlier in the presentation) or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. Risk arising from the investment objective, investment strategy, asset allocation and quant model risk: Market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns. At times, portfolios of individual clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.
- While utmost care has been exercised, Aditya Birla Sun Life AMC Ltd. (ABSLAMC), its sponsors or any of its officers, employees, personnel, directors make no representation as to the accuracy, completeness or reliability of the content and hereby disclaim any liability with regards to the same. Recipients of this material should exercise due care and read the disclosure document (including if necessary, obtaining the advice of tax / legal / accounting / financial / other professionals) prior to taking of any decision, acting or omitting to act. The document is solely for the information and understanding of intended recipients only. Further, the recipient shall not copy / circulate contents of this presentation, in part or in whole, or in any other manner whatsoever without prior and explicit approval of ABSLAMC.
- The strategy proposes to invest in an active portfolio of equity and equity related instruments by screening, selecting and weighing stocks based on pre-defined factor models. The model has been designed based on rigorous back-testing and research of fundamental investment principals and tenets of factor investing. There is no guarantee that the model will generate higher returns as compared to the benchmark.
- Portfolio allocation based on quantitative analysis may perform differently from the market due to the factors used in the analysis and the weight placed on each factor and markets behaves differently from the factor's historical trends. The success of the model is based on systematic investment approach and therefore it may not be able to leverage short term opportunities available in the market from time to time.
- The model may not be able to predict the future. The sudden outbreak of a war, a natural disaster, or a significant policy change by a central bank will have a significant effect upon the market and may not be predictable by the model.
- The Portfolio Manager shall not be responsible for any higher tracking error or higher drawdown, which may be inherent in some of the strategies by its very nature.

- The Portfolio Manager shall not be responsible/liable in cases where certain strategies might have higher stock concentration since they may focus on investing into sectors and optimized stocks within these sectors.
- The Portfolio Manager would not be responsible for higher turnover in any of the strategy during certain periods, due to Portfolio Manager's high allocation to a particular sector in such strategy, leading to such higher turnover.
- If portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.
- The portfolio proposes to invest in equity and equity related securities. Equity and Equity related securities by nature are volatile and prone to price fluctuations daily due to both macro and micro factors.
- The value of the portfolio will fluctuate as the daily prices of the individual securities in which they invest fluctuate and may be worth more or less than its original cost, at a given point in time.
- In respect of investments in equity and equity-related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.
- The value of the portfolio may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.
- Within the regulatory limits applicable at any point in time, the Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. This may however increase the risk of the portfolio. The liquidity and valuation of the portfolio's investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of disinvestments.
- Investment made in unlisted equity or equity-related securities may only be realizable upon listing of these securities. Settlement problems could cause the portfolio to miss certain investment opportunities.
- Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- Though the constituent stocks of most indices are typically liquid, liquidity differs across stocks. Due to the heterogeneity in liquidity in the capital market segment, trades on this segment may not get implemented instantly.
- The portfolio may have higher concentration towards a particular stock or sector, at a given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector may adversely affect the value of the portfolio.

- **Risks associated with Investing in Foreign Securities**:
  The Portfolio Manager does not intend to invest in Foreign Securities.

- **Risk associated with Short Selling or Stock Lending:**
  The Portfolio Manager does not intend to engage in short selling or Stock Lending.

- **Risk Factors associated with investments in Derivatives:**
  - The Portfolio manager intends to use exchange traded derivatives as a hedging tool & does not intend to take any naked positions. Nevertheless, trading in derivatives market has risks and issues concerning the use of derivatives that investor should understand. Derivative products are specialized instruments that require investment techniques and risk analysis 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 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.
  - Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates, and indices. Derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Execution of such strategies depends upon the ability of the portfolio manager to identify such opportunities. Identification and execution of the strategies to be pursued by the portfolio manager involve uncertainty and decision of portfolio manager may not always be profitable. No assurance can be given that the portfolio manager will be able to identify or execute such strategies.
  - Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.
  - The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the portfolio manager does not intend to write options.
  - Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.

  **Risk Factors associated with investments in Mutual Fund:**
  - Mutual funds invest across equity, money market & debt instruments. The risk factors affecting such instruments are mainly as follows- Market risk, Inflation risk, Interest rate risk, Currency risk, Credit risk, Regulatory/legal risk.
  - The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds or in money market instruments. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.
  - Liquid fund returns are not guaranteed, and it entirely depends on market movements.

**xv. ABSL CUSTOMISED REAL ESTATE PORTFOLIO**

i. **Investment Objective**: To generate accrual oriented higher yields on portfolio through identification of acceptable credit opportunities and / or credit structures in the Indian Real Estate market. There can be no assurance that the portfolio will achieve its investment objective.

ii. **Investment Approach:** Investment decisions are taken keeping in mind the investment objective and mandate. Fund managers follow both top-down as well as bottom-up approaches to maximize risk-adjusted returns.

The top-down approach involves study of general economy to assess the health of the economy through various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, de-seasonalizing which helps in forecasting each variable and positioning the portfolio in line with the expectation etc. This forms the basis for our view on the overall well-being of the economy and consequently which sectors or industries will do better. Given an assessment of the economy and each industry we allocate a portfolio of individual securities across the relevant industries.

The Bottom-Up investments approach focuses on the analysis of individual company and Project. In bottom-up investing, therefore, the focus is on a specific company and Project rather than on the industry in which that company operates or on the economy.

Risk mitigation strategies like credit quality, covenants, and collateral coverage are also strictly followed to keep risk within acceptable limits and minimize losses should a default occur. Investments are always carried out in securities in line with the investment approach. Detailed discussion is carried out in the investment committee before finalizing investments.

Based upon the view formed by the Portfolio Manager, the investment / disinvestment decisions are taken, and relevant trades are passed on to the dealing team which ensures timely execution of Portfolio Manager's orders at the best possible levels.

Portfolio manager at his discretion may choose to distribute to the investors any returns made by the portfolio through interest, dividend or return of capital by the issuers subject to them maintaining minimum threshold of investment value in the portfolio in line with the regulations.

iii. **Benchmark**: Crisil Composite Bond Index.

iv. **Strategy:** Debt.

v. **Minimum Account Size**: Rs. 50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to however in excess of the amount to comply with applicable SEBI Regulations. For large value Accredited Investors, minimum investment amount would be Rs. 10 Crores.

vi. **Valuation:** Valuation of the portfolio, debt and any money market securities by portfolio managers shall be carried out in accordance with these standardized valuation norms prescribed by APMI. Portfolio Managers shall mandatorily use valuation services obtained only from one or more of such empaneled valuation agencies for the purpose of valuation. The ultimate responsibility for fair valuation shall be that of the Portfolio Manager. As the securities to be held by the investors have very low/no liquidity, the valuations declared by the Portfolio Manager may differ from the valuations arrived by other parties such as valuations assigned to the securities during secondary sale.

**vii.** **Recommended Investment Horizon:** The recommended investment horizon is at least 5 years.

**viii.** **Taxation:** Investors are advised to seek consultation from their Independent Financial Advisor or Tax Advisor before making any investment decision.

**ix.** **Risk Factors & Disclaimers**

- The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities, Mutual Funds, Real Estate as specified in Section 6 of PMS Disclosure Document.
- In addition to the risk factors associated with investments in Real Estate mentioned in Section 6 of PMS Disclosure, following are the additional risk factors associated with varied investments:

- **Risk Factors associated with investments in Real Estate:**
  - **Regulatory Risk:** There may be adverse impact of changes in the development regulations/policies which are defined by the local municipalities/authorities. The project potential is dependent upon the regulations defined by the local authorities which are subject to change from time to time. This may impact the valuation of the project as the revenues flow from the area potential of the projects.
  - **Counter party risk:** The counter party for deals are real estate developers who might have multiple ongoing projects and in case there is a cross default clause in the documents of another project which is not performing or is stuck, then the other lender/partner may call out the cross-default clause which may impact the subject project cashflows and hence the security. Due to the nature of the business the developers may be influenced by political forces and would impact the project. Many of the projects are executed under a Joint Development Agreement (JDA) wherein there is a land owner and a developer. There are possibilities of disagreement between the two on the agreed position and / or decisions to be taken on the project post entering into the JDA which may impact the project and delay execution and hence the completion.
  - **Sales Risk:** The value of the project is monetized only through sales. Any reduction in demand or increase in the supply of real estate or potential reduction in demand or increase in the supply of real estate (whether developed or undeveloped) may lead to periods of oversupply and result in lower sale prices. Newly developed real estate projects may be disproportionately affected by fluctuations in demand and supply. The sales depend on multiple factors such as location, supply, connectivity, infrastructure,

social infrastructure, configuration and external factors such as economic condition and home loan rates impacting affordability.

- **RERA and Litigation Risk:** There is a central act, which mandated the states to prepare their rules in tandem with the Centre's regulations. Any adverse change in the RERA or litigation by buyers or RERA authorities on the project may impact the project value.

- **<u>Risk Factors associated with investments in Foreign Securities:</u>**
  - The Portfolio Manager does not intend to invest in Foreign Securities.

- **<u>Risk Factors associated with Short Selling or Stock Lending:</u>**
  - The Portfolio Manager does not intend to engage in short selling or stock lending.

**x. <u>Any other terms:</u>**

- The securities shall be held by the investor till maturity.
- The fund corpus shall be utilized to invest in a minimum of 1 investment in debt securities and a maximum- at the discretion of the Portfolio Manager.
- Until such time that the Portfolio Manager makes an investment, the corpus would be invested in Aditya Birla Sun Life Liquid Fund. The returns thus earned will be returned to investor when the Portfolio Manager makes an investment.
- If within 90 days of banking cheques from investors, the Portfolio Manager is unable to invest the corpus, then the amount would be respectively returned to the investor along with the income earned from investing the same in Liquid Fund as mentioned above. In such case PMS will charge management fees upto INR 1,200 per annum from the investor. Further, the Portfolio Manager can extend the term beyond 90 days with the written consent of the investor.
- The internal rate of return (IRR) will be triggered for investors from the day the Portfolio Manager makes an investment. Portfolio Value for all investors will be at par and no premium / compensating contribution will be charged to the subsequent investors.

## xvi. <u>Portfolio Management Services to Provident Funds, Insurance Companies, Corporate Treasuries and Special Mandates (PMS for PFs & Special Mandates)</u>

**Investment Objective:**
Objective of the portfolio management process is to provide income along with diversification by investing in a basket of fixed income securities, Equity securities and mutual fund schemes in line with the risk profile of the PMS Clients.

**Investment Strategy: --**
Portfolios will invest in the fixed income securities, equity securities and Mutual Fund schemes within the limits permitted by the applicable Regulator and the Client's investment policies.

The Portfolio will invest in Equity, Debt, Liquid Schemes and Equity ETFs (Exchange Traded Funds) in the pre specified range of the respective strategy. The investments strategy is "Buy and Hold to maturity" for majority of the portfolio.

**Basis of selection of securities:-** The selection of credits, other debt and equity securities and mutual fund schemes are made based on the considerations of safety of the principal, high standards of governance, returns and liquidity.

**Asset Allocations: --**
Debt & Equity related instruments and Cash/money market securities as permitted by the regulators and the Client's investment policies. Use of all kinds of financial instruments as the Portfolio Manager deems fit within the limits specified by the Client's investment policies. The Portfolio Manager may invest in derivatives or any other instrument as may be permitted from time to time by the Regulatory Authority applicable to the Client, including Units of Schemes of Mutual Funds and as may be decided by the Portfolio Manager.

**Benchmark: -** The benchmark may be mutually agreed with the Client for specific mandates in some of the mandates although majority of mandates do not have any benchmark.

**Debt Benchmark -** Crisil Composite Bond Index.
**Equity Benchmark –** Nifty 50 TRI.

**Indicative tenure or investment horizon: --** The tenures of securities or investment horizon are typically very long given the long term nature of liabilities of provident Funds with average portfolio durations beyond 5 years.

**Risk: —** Moderate.

**Rebalancing of the portfolio**: -- Portfolios are rebalanced periodically to meet the investment pattern specified by the Regulator or the Client's investment policy.

**Other salient features, if any:**

- The portfolio of each Client may differ from that of the other Client in the same Portfolio strategy, as per the discretion of the Fund / Portfolio Manager depending on the investment horizon and capital preservation level. The Client may give informal guidance to customize the portfolio under the Portfolio strategy/options; however, the final decision rests with the Fund / Portfolio Manager.
- The un-invested amounts in all the above Portfolio strategy/options may be deployed in liquid fund schemes, debt oriented schemes of mutual funds, Initial Public Offering (IPO), Gilt schemes, bank deposits and other short-term avenues for investment. In all the above Portfolio strategies/options, the securities invested / disinvested by the Fund / Portfolio Manager for Clients in the same Portfolio strategy/options may differ from Client to Client. The Portfolio Manager may, with the consent of the Client, lend the securities through an Approved Intermediary, for interest.
- The performance of the Portfolio strategies/options may not be strictly comparable with the performance of the benchmark Indices, due to inherent differences in the construction of the portfolios. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark, or related to composition of the benchmark, whenever it deems necessary.
- The policies for investments in associates / group companies of the portfolio manager and the maximum percentage of such investment therein subject to the applicable laws regulations / guidelines.

- The Fund / Portfolio Manager may also use various derivatives and hedging products. Derivatives instruments may take the form of Index Futures, Index Options, Options on individual equities / securities, interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be appropriate, from time to time. The Fund / Portfolio Manager may also invest in other instruments / products as allowed by SEBI from time to time.
- The policies for investments in associates / group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws / regulations / guidelines.

## IV. Co-investment Portfolio Management Services

### i) Investment Objective

The primary objective of the Portfolio Manager is to provide co-investment portfolio management services to existing investors of Alternative Investment Funds managed by the Portfolio Manager.

### ii) Description of types of securities in which Portfolio Manager will invest

The investments shall be in unlisted securities where category I or category II AIFs makes an investment.

### iii) Investment Approach of the Portfolio Manager

The Portfolio Manager does not follow a specific investment approach. Existing investors of the Alternative Investment Funds managed by the Portfolio Manager who express interest in a specific unlisted security where a co-investment opportunity exists will be allowed to invest. This approach provides flexibility, enabling investors to selectively participate in deals that match their individual preferences.

### iv) Terms of Co-investment

The terms and conditions for Co-investments will be as per the applicable regulatory guidelines from time to time, including the following:

- the terms of co-investment in an investee company by a co-investor, shall not be more favourable than the terms of investment of the AIF;
- the terms of exit from the co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the AIF;
- early withdrawal of funds by the co-investors shall be allowed to the extent the AIF has also made an exit.

### v) Minimum Investment Amount

The minimum value of Funds/investments which will be accepted towards initial corpus under Co-investment Portfolio Management Services would be decided by the Portfolio Manager from time to time as may be allowed under the Regulations.

### vi) Risks associated with Co-investments

Co-investments may involve higher risks, including concentration risk, liquidity risk, and the potential loss of capital. Investors should be aware that co-investment structures may also be subject to different regulatory, tax, and legal frameworks than AIF, which may affect their investment outcomes. Co-investment opportunities are not guaranteed to achieve the same performance as the AIF's primary investments, and their results may vary significantly. Investors should carefully consider the risks before committing capital to any co-investment opportunity.

**Illiquidity Risk:** Investments in unlisted securities or private companies may have limited options for exiting the investment, making it difficult to access capital when needed.

**Concentration Risk:** Co-investments often focus on specific companies or sectors, leading to a concentrated investment portfolio. This concentration can increase overall risk, as underperformance in the concentrated area may disproportionately impact the investor's overall returns.

**Performance Risk:** The success of co-investments is heavily reliant on the performance of the underlying company. Factors such as operational inefficiencies, market competition, regulatory changes, and economic conditions can adversely affect the performance and profitability of the investment.

**Dependence on the Lead Investor:** Co-investors typically rely on the lead investor for due diligence and investment decisions. If the lead investor's judgment or strategies do not align with the co-investor's interests or expectations, it can lead to suboptimal investment outcomes.

**Regulatory and Compliance Risk:** Private market investments are subject to specific regulatory frameworks that may change over time. Non-compliance with regulations can expose co-investors to legal liabilities or penalties, affecting investment outcomes.

**Market Risk:** Co-investments in private markets are subject to broader market risks, including economic downturns, changes in interest rates, and shifts in investor sentiment, which can negatively impact the performance of the underlying investments.

**Exit Strategy Risk:** The timing and method of exit can significantly influence the returns from co-investments. If the market conditions are unfavorable when the AIF or co-investors decide to exit, they may realize lower returns or face delays in liquidating their positions.

**Debt Instrument Risks**:

Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk and may also be subject to price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

Interest rate risk is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance, changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. The value of investments in fixed income Securities will

appreciate / depreciate if the interest rates fall/rise. Consequently, the value of the Portfolio may be subject to fluctuation.
debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

Investments in non-publicly offered debt securities (where permitted by the investment mandate) may expose the Client's Portfolio to liquidity risks.

**POLICY FOR INVESTMENTS IN GROUP / ASSOCIATE COMPANIES**The Portfolio Manager will, before investing in the securities of associate/group companies, will evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Portfolio. The portfolio manager may invest in listed securities of the associate/group companies. These investments will be carried out to achieve the investment objectives and strategies and in the normal course of investment activity subject to the applicable laws/regulations. The Portfolio Manager may also make investment under the schemes of Aditya Birla Sun Life Mutual Fund. Investments under the Portfolio in the securities of the group companies will be subject to the limits (if any) prescribed in the Agreement executed with the respective Client and the same would be subject to the applicable laws/regulations/guidelines.

**CONFLICTS OF INTEREST**

ABSLAMC manages multiple portfolios as a Portfolio Manager, thereby presenting possibility of conflict of interest arising in several situations, including in allocating investment opportunities amongst the various portfolios, or its actions vis-à-vis third parties. The Portfolio Manager will endeavour to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives and policies of each portfolio, The Portfolio Manager shall ensure fit treatment in an arms-length transaction towards all its clients and shall also specifically ensure that the interests of the Client are not prejudiced.

The Portfolio Manager, its associated companies, group companies are engaged in a broad spectrum of activities in the financial services sector viz., lending, banking, insurance, broking etc and the Portfolio Manager itself acting as the Investment Manager to the schemes of Aditya Birla Sun Life Mutual Fund (hereinafter referred to as collectively 'Relevant Parties'). ABSLAMC as a Portfolio Manager may utilize the services of its group companies, associates etc. as and when required with proper disclosure to its Clients.

Conflict of interest may arise between the activities of the Portfolio Manager and the Relevant Parties. It is intended for such conflicts to be managed primarily by complying with the applicable law, acting in good faith to develop equitable resolutions of known conflicts and developing policies to reduce the possibilities of such conflict and proper and adequate disclosure to Clients. The Portfolio Manager shall endeavour to ensure that these conflicts do not work to the detriment of the interests of the Client; however, there can be no assurance that they will be able to do so in all instances. Further, the Portfolio Manager has adopted internal policies and procedures, including investment allocation guidelines, ethical walls, and employee dealing codes, to ensure arm's length treatment and fair allocation among clients. Further, the Portfolio Manager ensures appropriate segregation of roles and systems between the mutual fund and portfolio management businesses to prevent the misuse of information and manage conflicts effectively. Investment decisions are made independently for each product line in the best interest of the respective investors, and no client is given preferential treatment. The Portfolio Manager continues to enhance internal controls and compliance measures to manage such risks.

**OVERALL EQUITY INVESTMENT PROCESS (COMMON TO ALL PRODUCTS):**

This begins with the investment philosophy. Portfolio Manager firmly believes that bottom-up, fundamental research offers the best way to identify high-quality companies with above-average, sustainable earnings growth.

1. **Fundamental Research:**
   The portfolio construction process begins with fundamental analysis performed by equity analyst(s), which provides the portfolio management team with company and industry research. Investment ideas are also developed by analyzing company and industry information from meetings with the company managements, suppliers, users, competitors, industry consultants and broker research community.

2. **Research Process:**
   The equity research process typically begins with an industry/sector overview to identify industry trends and provide a framework for individual security selection. Fundamental analysis at this level usually involves analysis of unit growth prospects, pricing power, international growth opportunities, the regulatory environment, and economic sensitivity. Analyst(s) develop a robust knowledge of the economic, political and international situations that affect the industries under study.

   At the company level, the research analyst(s) assess the quality of products and services, the growth rate of a company vis-à-vis its industry, the quality of management, and the company's financial strength. Interactions with company managements through visits and meetings in conferences arranged by brokerage houses are some of the ways in which we evaluate management capabilities.

   The analyst(s) research culminates in an assessment of the relative attractiveness of a stock, which is based on valuation, expected earnings growth rates and the analyst's level of confidence in growth rate assumption.

3. **Security Coverage:**
   The Portfolio Manager and the Research Analyst(s) track the stocks that are consistent with investment strategy of the product. In addition to that, research reports provided by our empaneled brokers are also used in the investment process. At meetings, which are typically weekly, analyst(s) highlight industry news and attractive opportunities and present their rationale for the chosen securities. Regular meetings ensure that action-oriented ideas are implemented in a timely manner.

4. **Stock Selection:**
   Stock selection focuses on bottom-up company analysis. At the company level, Portfolio Manager seeks to identify attractively valued companies with strong or improving fundamentals. Portfolio Manager adds value by doing in-house valuation research.

   Apart from closely tracking the stocks' unit growth rates, operating margins, price/revenue, earnings revision trends, and price changes, the portfolio management team looks for following characteristics in portfolio:

   - Industry operating dynamics
   - High levels of free cash flow
   - High operating margins and return on equity
   - Sustainable earnings growth

- Attractive valuation
- Superior management team
- High quality franchise, product, or service

5. **Sell Decision:**
   i. A stock will be reviewed for potential sale if portfolio management team anticipates events and/or trends that may negatively affect valuation or earnings growth.
   ii. An alternative investment with stronger fundamentals and more favorable valuation offers an opportunity for a better return.

   Once a sell decision is made, positions are sold either with an option to reinvest in the same stock as a measure of partial and active profit booking or invest into another attractive opportunity.

6. **Research Reports:**
   Equity Research reports are prepared by Analyst for each fresh buy and complete exit in the PMS portfolios. These reports capture Portfolio Manager's view / rationale for the decision to buy or sell and also the current valuations of that particular company. Once these reports are prepared, the same is reviewed by Portfolio Manager.

   Co-investment Portfolio will be out of the purview of this section.

**<u>OVERALL PROCESS FOR INVESTMENTS IN DEBT SECURITIES (Common to all Products):</u>**

**Research Process**

The debt personnel of Portfolio Manager carry out research w.r.t. the issuer companies. They take the decision to buy/sell securities on the basis of various factors e.g. the ratings of the securities issued, the returns being offered by the issuer vis-a-vis other comparable investment options, the repayment and interest servicing capacity of the issuer company, the purpose for which the debt is being raised by the issuer etc. The broad investment universe is prepared based on the portfolio's objective. The corporate bonds will be carefully screened by the analysts and included in the universe. Any introduction into the investment universe and change to exposure & tenure limits follow a two-tier system, wherein based on certain criteria like rating category, financial ratios etc., limits may be set up at business unit level after approval of the designated authorities / CEO.

Economic research is carried out both on domestic as well as global indicators, to develop insight into various variables affecting the markets like GDP growth, inflation, Industrial production, public finances, balance of payments, money supply, liquidity position etc. These are monitored on a regular basis through various lenses like time series analysis, de-seasonalising which help in forecasting each variable and positioning the portfolio in line with the expectation etc.

Fundamental as well as technical analysis of factors mentioned above help in forming a view on rate movements across the yield curve. Research team presents their analysis to the PM on expectations of movements in yields (short term & long term), spreads etc. helping them plan their portfolio positions accordingly.

Based upon the view formed by the PM, the investment / redemption decisions are taken and relevant trades are passed on to the dealing team which ensures timely execution of Investment Manager's orders at best possible levels.

Co-investment Portfolio will be out of the purview of this section.

**OPTION TO INVEST IN DERIVATIVES:**

The introduction of derivative products in the Indian market has paved the way for more efficient ways of managing and controlling risks and at the same time optimizing gains from a specific position. The portfolio manager shall, wherever deemed appropriate and expedient, deploy client money in derivative products in the client portfolios. However, such positions shall not be leveraged.

**OPTION TO INVEST IN DEBT FOR INTERIM PERIOD:**

The portfolio manager will have the liberty to invest client's funds, pending investment in equities, in short term debt opportunities, such as, income/liquid mutual funds, bank deposits, government securities, etc. There will not be any cap on such investments. However, it will be the endeavor of the portfolio manager to remain invested in equities in accordance with the client profile.

**OPTION TO INVEST IN MUTUAL FUND SCHEMES:**

The portfolio manager may, in accordance with the client risk profile and asset allocation that he may draw up for a client, invest a part of the client funds in Equity/Debt schemes of mutual funds floated by various fund houses including that of Aditya Birla Sun Life Mutual Fund. Such Investment in mutual fund will carry the risk associated with the underlying as well.

As per Regulation 24 (5) of the SEBI (Portfolio Managers) Regulations, 2020, portfolio manager may invest in units of Mutual Funds only through direct plans.

**SYSTEMATIC TRANSFER PLAN (STP) FACILITY (COMMON FOR ALL PORTFOLIOS):**

Under these facilities, the client will make one-time investment and then deployment will be done as mentioned below:

- **Monthly STP**

(a) First deployment:
10% / 20% funds will be deployed immediately on portfolio activation as per option selected by Client.

(b) Subsequent deployments:
10% / 20% of portfolio value on 16th of every succeeding month (or subsequent working day if set day is a holiday) in equal proportion 4 instalments. Thus, portfolio will effectively be aligned to model in 10$^{th}$ / 5$^{th}$ month respectively.

(c) Additional investments:
In case, client (having subscribed to STP), makes any additional investment (before portfolio alignment with model), the additional investment will be processed as a fresh STP request. Additional investment to be deployed as fresh in 10 or 5 instalments.

- **Weekly STP**

a) Minimum Corpus:
The minimum corpus amount required to avail Weekly STP facility is Rs. 2 crores.

b) Deployment procedure:

i) 5% / 10% / 20% of the portfolio value will be deployed on weekly basis.

ii) The Weekly STP will be deployed in 20 / 10/ 5 instalments.

c) Additional investments:
In case, client (having subscribed to STP), makes any additional investment (before portfolio alignment with model), the additional investment will be processed as a fresh STP request.

The client has to submit PMS Systematic Transfer Plan Registration Form.

In case of existing clients, the Portfolio Management Agreement & Supplemental Agreement if any, shall continue to remain in force and shall be applicable to the STP facility.

Co-investment Portfolio will be out of the purview of this section.

**SYSTEMATIC INVESTMENT PLAN (SIP) FACILITY (COMMON FOR ALL PORTFOLIOS):**

Under these facilities, the client will make one-time investment of minimum Rs. 50 Lakhs and then deployment under SIP will be done as mentioned under:

- **Monthly SIP**
  Minimum Rs. 1 Lakh or multiples can be invested in monthly SIP route on 16th of every succeeding month (or subsequent working day if set day is a holiday). Minimum SIP instalments would be 12 instalment.

- **Weekly SIP**
  Minimum Rs. 50,000 or multiples can be invested in weekly SIP route on every Tuesday of the week as per option selected by Client (or subsequent working day if set day is a holiday). Minimum SIP instalments would be 24 instalment.

Co-investment Portfolio will be out of the purview of this section.

**INVESTMENT PROCESS FOR A DVISORY PORTFOLIO MANAGEMENT SERVICES:**

On a periodic basis, the client provides his holding statement to the Portfolio Manager. Once the same is reviewed, Portfolio Manager recommends Advisory Model Portfolio weightages to the client. Based on the model weight, the client may realign his Portfolio and share the same with the Portfolio Manager on the next working day. Taking an investment/redemption decision and executing trades, if any for purchase/sale basis the model weightage provided is at the discretion of the respective client.

**DIRECT ON-BOARDING OF CLIENTS**

Clients can invest directly with ABSLAMC by visiting nearest branch office or our website https://portfoliomanagementservices.adityabirlacapital.com/.

**DIGITAL ONBOARDING OF CLIENTS**

A digital onboarding facility for Clients is available on the RTA website of the ABSLAMC for on-boarding of client through digital mode. For more details about the same, the Client is requested to access the following link: https://wealthserv.camsonline.com/login.

## 6) RISK FACTORS

### A. General Risk Factors:

- The name of any of the Products does not, in any manner, indicate either the quality of the Product or its future prospects or returns. The present products are not guaranteed or assured return products.
- At times, due to the forces and factors affecting the capital market, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc. or as per the view of the fund manager, the Product may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities amounting to substantial reduction in the earning capability of the Product.
- The Portfolio Manager would not be liable for any loss caused to the investor by reason of an investment advice made by or on behalf of the investor, whether on the advance of the Portfolio Manager or otherwise. They will however ensure that reasonable care and skill are employed while tendering such advice or making investments on behalf of the client.
- The Portfolio Manager has no previous experience/ track record of providing co-investment portfolio management services. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.
- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the product will be achieved. Past performance of the portfolio manager does not indicate the future performance of the same investment option in future or any other future investment options of the portfolio manager and may not necessarily provide a basis of comparison with other investments. There is no assurance that past performances in earlier product will be repeated. Risk arising from the investment objective, investment strategy, asset allocation and quant model risk: Market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect portfolio returns. At times, portfolios of individual clients may be concentrated in certain companies/industries. The performance of the portfolios would depend on the performance of such companies / industries / sectors of the economy.
- Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.
- The returns of investments in securities would depend on the happening / non-happening of specified events and the returns may or may not accrue to an investor accordingly.
- The Portfolio Manager has included statements / opinions / recommendations in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc.

- While utmost care has been exercised, ABSLAMC, its sponsors or any of its officers, employees, personnel, and directors make no representation as to the accuracy, completeness or reliability of the content and hereby disclaim any liability with regard to the same. Recipients of this material should exercise due care and read the disclosure document (including if necessary, obtaining the advice of tax / legal / accounting / financial / other professionals) prior to taking of any decision, acting or omitting to act. The document is solely for the information and understanding of intended recipients only. Further, the recipient shall not copy / circulate contents of this document, in part or in whole, or in any other manner whatsoever without prior and explicit approval of ABSLAMC.
- The tax implications provided in this document are for general purposes only and is based on advice that the Portfolio Manager has received regarding the law and the practice that is currently in force in India and the client should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each client is advised to consult his/her own professional tax advisor.
- The Portfolio Manager is not responsible for risk profiling of prospective and existing investors. The investor should read the disclosure document and terms and conditions of the product properly before making any investment decision.
- The Portfolio Manager would be acting on the advice of experts in the relative fields but would not be responsible for any loss occasioned by any act or omission on the part of such persons.
- To implement a decision of the client regarding investments, the Portfolio Manager would have to employ the services of persons and bodies who are not the Portfolio Manager's employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.
- The Portfolio Manager will not be liable for any financial loss arising from the Portfolio Manager not being able to sell the shares on behalf of the client before they are replaced, in case the original shares are lost or stolen whilst shares were in transit.
- The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the client.
- The Portfolio Manager may not be able to lend out securities which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.
- The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

**B. Risks associated with investments in Equity and equity related instruments:**

Some of the common risks associated with investments in equity and equity linked securities are mentioned below. These risks include but are not restricted to:

- Equity and Equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- The value of the portfolio will fluctuate as the daily prices of the individual securities in which they invest fluctuate and may be worth more or less than its original cost, at a given point in time.
- In respect of investments in equity and equity-related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities. In the event of an inordinately large number of redemptions or of a restructuring of the schemes' investment portfolio, there may be delays in the redemption.
- The value of the portfolio may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the portfolio valuation may fluctuate and can go up or down.
- The Portfolio manager may invest in stocks, which may or may not be undervalued with the anticipation of increase in price. However, the stocks may languish and may not attain the anticipated price.
- The portfolio is subject to investment style risk; the product may have a contrarian style of investment, the portfolio performance may not be in line with the general market in scenarios of strong upward or downward cycles. Further, the prices of securities invested by the product may not behave as expected by Portfolio Manager, this may affect the returns adversely.
- In Domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in Equity and Equity related securities.
- In the event of inordinately low volumes, there may be delays with respect to unwinding the portfolio and transferring the redemption proceeds.
- The portfolio may have higher concentration towards a particular stock or sector, at a given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the portfolio.
- Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.
- Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

**Risks associated with investments in Fixed Income Securities:**

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates will affect the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of Portfolios. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Product and may lead to the Product incurring losses till the security is finally sold. This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). Any investment in fixed income carries high degree of risk due to their illiquidity. Additionally, there may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client's portfolio. Such investments may be of a medium-to-long term nature. However, there can be no guarantee that such realizations shall be achieved and the Portfolio's investments may remain illiquid. The Portfolio may have Securities that have limited liquidity and consequently, the Portfolio Manager may not be able to liquidate the investment in such Security. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets are un-invested and no return is earned thereon.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk. The fund manager will endeavor to manage credit risk through in-house credit analysis. The Products may also use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Product's portfolios.
- **Credit Rating Risk**: Different types of securities in which the products would invest as given in the product note carry different levels and types of risk. Accordingly, the product's risk may increase or decrease depending upon their investment patterns. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.
- **Reinvestment Risk**: This risk refers to the interest rate levels at which cash flows received from the securities under a particular Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cash flows. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the product to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- The above are some of the common risks associated with investments in fixed and money market securities including derivatives. There can be no assurance that a Portfolio's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

**Risks associated with investments in Structured Products(SPs)/ Market Linked Debentures(MLDs)/ Equity Linked Debentures(ELDs):**

- Returns on Structured securities like Structured Products(SPs)/ Market Linked Debentures(MLDs)/ Equity Linked Debentures(ELDs) may be fixed / floating. Such securities may yield returns that will be linked to stocks / indices / schemes / securities of various asset classes.
- Investors are advised to participate only if investor's investment horizon is aligning with the product's tenure. In case of any unforeseen circumstances, if the liquidity is required, investors need to note that there is no active secondary market for it. The liquidity will be available only at the terms of the issuers. The SP/MLD/ELD may not be bought back by the issuer at the valuation price suggested by the rating agency.
- If the issuer decides not to issue / allot the SP/MLD/ELD due to such reasons as it deems fit, no Issue / allotment of SPs will be made.
- If the Issuer chooses to revise the issue opening date/issue closing date/ date of allotment of the SP/MLD/ELD, the Portfolio Manager retains the right to subscribe/refuse to the SP/MLD/ELD as per the new dates.
- The Portfolio Manager, at its sole discretion and under such circumstances as the Portfolio Manager may deem fit to protect the interest of investors, reserves the right to sell the SP/MLD/ELD at any time prior to the maturity of such SP/MLD/ELD. In such a case, the pay-off may be, lower than the pay-off crystallized, as per the terms of the SP/MLD/ELD. Similarly, the Portfolio Manager reserves the right of premature repayment of the portfolio value to protect the interest of investors. The Portfolio Manager, under such circumstances will not be liable for any diminution in value of principal in case the amount paid to the clients is lesser than the principal originally invested by the Client.
- The Investments in SPs/MLDs/ELDs are subject to credit risk of the issuer of the SPs/MLDs/ELDs either due to default or their inability to make timely payments of principal and interest. The portfolio valuation may also be affected accordingly and in case the issuer of the SP/MLD/ELD defaults, the investor may fail to receive principal amount. In case there is a credit default by the Issuer, there is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such SP/MLD/ELD over the life and/or part thereof or upon maturity of the SP/MLD/ELD.
- At any time during the life of such SP/MLD/ELD, the value of the SP/MLD/ELD may be substantially less than its investment value. Further, the price of the SP/MLD/ELD may be affected in case the credit rating of the Issuer Company migrates.
- There is a possibility of the Reference Index getting dissolved or withdrawn by the Index Provider and in such a case the Debenture-Trustees upon request by the issuer of the SP/MLD/ELD may

modify the terms of issue of SP/MLD/ELD, so as to track a different and suitable index and appropriate intimation will be sent to the SP/MLD/ELD holders.

- The securities are created on the basis of mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- The Risk Factors mentioned below are not the only risks ones that might be faced. The business operations of the Issuer could also be affected by additional factors that are not presently known to the Issuer or the Portfolio Manager or that are currently considered to be immaterial to the Issuer's business and operations.
- Credit and counterparty risk: Investment in instruments like SP/MLD/ELD involves a fair measure of uncertainty of payoffs, as changes in the value of underlying Index can cause asymmetric changes in the SP/MLD/ELD value. The term "capital", if used, in relation to "Principal Protection" refers to the face value of the SP/MLD/ELD. Any Principal Protection is subject to the terms of the Issuer Documents, investments being SP/MLD/ELD till maturity and the Issuer's credit risk. The Portfolio Manager does not provide the Principal Protection. The Portfolio Manager may not get an independent market derived valuation price for the SP/MLD/ELD and would rely on an estimate of the fair market value provided by the Issuer/Issuer's Associate from time to time. The market value of the Portfolio may change as the result of changes in the actual or perceived credit standing of the Issuer. The credit rating of the SP/MLD/ELD does not cover the market risk associated with such instruments. The credit ratings of the Issuer may undergo a change due to any significant negative development affecting the Issuer/Issuer's Group Companies and Associates or the industry. This could severely impact the Issuer's ability to access debt capital markets for its funding requirements. In case there is a credit default by the Issuer, there is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such SP over the life and/or part thereof or upon maturity of the SP/MLD/ELD. Even where the SP/MLD/ELD are principal protected there is a risk that any failure by a counter party to perform obligations when due may result in the loss of all or part of the investment. The Portfolio may remain invested in a single security issued by a single Issuer, resulting in higher concentration risk. The Portfolio Manager does not guarantee the returns and / or maturity proceeds thereon. Investors are requested to read all the terms and conditions and the Issuer Documents and risk factors before investing.
- Liquidity Risk: The SPs/MLDs/ELDs are proposed to be listed. Presently, secondary market for such securitized papers is not very liquid. Listing of the SP/MLD/ELD does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the SP/MLD/ELD will develop or be maintained. Consequently, the SP/MLD/ELD may be illiquid and quote below its face value/valuation price.
- Market Risk: The value of the Portfolio, prior to the Redemption and Maturity Date, may be affected by a number of factors, including but not limited to the level of the performance of the stocks, option volatility of the stock(s) in the basket, interest rates and time remaining to maturity. The return of the Portfolio is linked to performance of the underlying Equity Index or on single stocks or basket of stocks or Mutual Funds, Futures & Options. The fluctuations in the equity market can be significant. The returns on the SP/MLD/ELD may be lower than prevalent market interest rates or even be nil depending entirely on the movement in the underlying index and futures values as also that over the life of the SP/MLD/ELD (including the amount if any, payable on maturity, redemption, sale or disposition of the SP.) The SP/MLD/ELD holder may receive no income/return at all on the

SP/MLD/ELD or less income/return than the SP/MLD/ELD holder may have expected, or obtained by investing elsewhere or in similar investments.

- Operational and System Risk: The issuers that the portfolio manager may invest in typically would have established operational and system controls to safeguard the risk of improper authorizations, inappropriate documentation, failure in maintenance of proper security policies, frauds and employee errors etc. Failure of any of the operational and system (information security) controls may hamper the ability of the Issuer to run its business operations, which in turn may have an adverse effect on the portfolio.
- Business & Management Continuity Risk: Any event, which causes business establishments of the issuers to cease, functioning in their respective states, could potentially lead to a disruption in the business of the issuers for as long as such a disruption lasts. Additionally, the affairs and operations of the issuers maybe run and managed by Management personnel as a collective group for its efficient functioning and any event such as a large scale resignation of their Management personnel could hamper the ability of the issuers to conduct their business normally, which may in turn affect the performance of the portfolio.
- The issuer of the SP/MLD/ELD, subject to the conditions mentioned in its draft Offer Document, applicable tax laws and the credit risk, would pay the indicated return and capital at the end of the period. The Portfolio Manager does not guarantee the returns and / or maturity proceeds thereon.
- Regulatory and Legal Risk: The issuers and the Portfolio Manager are subject to regulatory supervision. Changes in Government policies may impact the economic environment, which may in turn affect the Issuers/Portfolio Manager. Further, any changes in Government policies can impact business by impacting margins (interest rates) or by impacting distribution growth or through changes in accounting/ /other norms.
- Typically issuers may have bank loans with financial covenants and some of the loans drawn down by issuers may require the issuer to meet financial covenants specified by the lender. Failure of issuers to meet these covenants, could result in these loans being called back by the lenders impacting Issuer’s ability to conduct its business, including servicing such debt that is approaching maturity. This could adversely affect the portfolio performance.
- Issuers may face risks if issuer’s assets & liabilities are mis-matched with respect to interest rate structure. A mis-match in interest rate profile could lead to a large decline in an issuer’s profitability if there is an adverse movement in the interest rates, which could eventually affect the portfolio performance.
- The issuers and the Portfolio Manager may be exposed to risk arising out of volatility/slowdown in the global and Indian capital market: The issuers may be exposed to risks due to volatility being experienced in the international market which could have an adverse impact on the Indian market and in turn may adversely affect the value of the Issuer’s assets and profits, which in turn may affect the portfolio performance.
- SPs/MLDs/ELDs may generate returns, which are not in line with the performance of the Reference Index, depending on their calculation formulas and underlying investments.
- Clients should be aware that the investment strategy of the Portfolio may lead to a dilution of performance when compared to a direct investment into the equity market of the Index linked to the SPs/MLDs/ELDs. The Participation Rate and the averaging mechanism of the SPs/MLDs/ELDs, if any, will also affect the performance of the Portfolio.

**Risk Factors associated with investments in Real Estate:**

- Real Estate Risk: The market for real estate is, in general, less liquid than the market for securities. In addition, real estate developments have often been mired in controversies on various grounds such as defective title to the land, alleged violation of zonal and legal regulations etc., resulting in long delays in the completion of such projects. If such problems were to occur in projects developed by the Portfolio Company, it may adversely affect the valuation of the investment of the client and may also result in complete loss of the capital invested by him/her.
- Title Risk: The method of documentation of land records in India has not been fully computerized and is mostly done manually with physical records of all land related documents physically updated. This could result in the updation process getting substantially delayed or being inaccurate in certain aspects.
- Land Acquisition: The property ownership rights in India are subject to the imposition of restrictions by the Government. The Government is vested with the right to acquire any land or part thereof if the same is for a 'public purpose'. Where any property held by a Portfolio company is so acquired by the Government, the compensation received by the Portfolio company from the Government might be substantially lesser than the price such property would have been able to fetch in the open market.
- Environment Laws: The operations of Portfolio companies are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants that may result from the normal operations of Portfolio companies.
- Litigation: Properties in India are susceptible to litigation, which takes a long time to settle and is quite complex in nature. If any property held by a Portfolio company is or becomes subject to litigation, it could have an adverse impact on the valuation of the investment of the client.
- Tenancy Risk: Where the Investment in a Portfolio company having tenancy properties as its underlying assets, the monetary inflows for the Portfolio Company could be impacted by the bankruptcy, insolvency or non-payment by the tenant or for any other reasons.
- Use of Agricultural Land: Certain lands in India have been reserved for the purpose of carrying on agricultural activities only. In order to carry on any non-agricultural activities on such lands, prior permission of the relevant local authority is required to be obtained. Hence, if any agricultural land is held by a Portfolio Entity and such Portfolio Entity does not obtain the requisite permission for usage of the agricultural land for non-agricultural purposes, then the Portfolio Entity would not be able to implement the proposed project on such land which would affect the returns of the Portfolio Entity.
- Development Risk: The Portfolio investments shall be subject to various development risks, delay in project risk, regulatory and various other legal risks. Development risks could be mitigated by providing an incentive structure to the Portfolio companies for timely completion of the project. The same could lead to significant time and cost overruns. Also the delay in getting approvals for the projects for which the Portfolio companies are bidding may also impact the valuation of the investment of the client.
- Construction Risk: The development of properties includes a degree of risk associated with the construction of the property, including the risk that a project may not be completed within the proposed budget, within the agreed timeframe and/or to the agreed specifications. Also, the Real

estate projects involve significant construction and development works with construction cost forming a major portion of the project capital expenditure. Construction cost is affected by the availability, cost and quality of raw materials. The prices and supply of these and other raw materials depend on factors not within the control of the Portfolio companies, including general economic conditions, competition, production levels, transportation costs and import duties.

- Delays in Project: The construction of projects may face opposition from local communities, non-government organisations and other parties. The construction of projects may become politicised and face opposition from the local communities where these projects are located and from special interest groups. In particular, the public may oppose the acquisition or lease of land due to the perceived negative impact it may have on such communities or on the environment.
- Competition Risk: The Portfolio companies may invest, construct or maintain and operate certain real estate assets in a highly-competitive environment. The Portfolio companies will compete with other consortia and entities for property and real estate-related assets. These competitors, which include large construction and engineering groups and other financial investors, may have significant financial resources and may be able to present bids with competitive terms. As a result of such competition, the Portfolio companies may have difficulty in making certain potential investments or the Portfolio companies may be required to make investments on economic terms less favorable than anticipated.
- Government License Risk: All of the Portfolio investments will be in entities that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licences or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If the Portfolio companies fail to comply with these regulations, license terms or contractual obligations, it would have a significant adverse impact on the projects and the financial performance of the Portfolio companies and in turn the valuation of the investment of the client.
- Change in Law Risk: Any change in applicable law, which requires retrospective changes in the structure or operations of the Portfolio investment, may adversely impact the performance of the Portfolio investment. Accounting practices may also change, which may affect, in particular, the manner in which the Portfolio investments are valued and / or the way in which income or capital gains are recognised and/or allocated by the Portfolio.
- Documents and Other Legal Risk: Investments in the real estate sector are usually governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over the interpretation and enforceability of legal documents or contracts may be higher than for investments in other sectors. Other legal risks relate to environmental issues, industrial actions and actions by special interest groups.
- Third Party Litigation and Ability to Enforce Legal Rights: The investment activities of the Portfolio may subject to the normal risks of becoming involved in litigation with third parties. This risk is enhanced where the Portfolio exercises (or is perceived to exercise) some amount of control over the direction of the affairs of a Portfolio company. The Indian judicial system is subject to extensive delays, procedural hassles and high costs and, as a result, the Portfolio may have difficulty in pursuing claims in the court.

**<u>Risk Factors associated with investments in Derivatives:</u>**

- The Portfolio manager intends to use exchange traded derivatives as a hedging tool & does not intend to take any naked positions. Nevertheless, trading in derivatives market has risks and issues concerning the use of derivatives that investor should understand.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Even a small price movement in the underlying security could have a large impact on their value. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be pursued by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
- As and when the product 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 analysis 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 a possibility that loss may be sustained by the portfolio as a result of the failure of another party (usually referred as the “counter party”) to comply with the terms of the derivatives contract. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.
- Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.
- The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.
- The derivatives market in India is nascent and does not have the volumes that may be seen in other developed markets, which may result in volatility in the values.

**Risk Factors associated with investments in units of Mutual Fund/ETFs:**

- Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme’s investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.
- As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

- The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.
- The Portfolio Manager shall not be responsible if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monitory and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.
- The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.
- While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.
- The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed to have read and understood the risk factors of the underlying schemes.
- Mutual funds invest across equity, money market & debt instruments. The risk factors affecting such instruments are mainly as follows- Market risk, Inflation risk, Interest rate risk, Currency risk, Credit risk, Regulatory/legal risk.
- The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds or in money market instruments. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.
- Liquid fund returns are not guaranteed and it entirely depends on market movements.
- If portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.
- The Portfolio Manager may, in accordance with the investment strategy agreed with the client, invest all or part of the client's portfolio in units of mutual fund schemes that are managed by the Portfolio Manager itself (in its capacity as an Asset Management Company registered under the SEBI (Mutual Funds) Regulations, 1996). While such investments may offer access to professionally managed, diversified portfolios, they also involve an inherent conflict of interest, as the Portfolio Manager may derive management fees or other benefits from the mutual fund schemes in addition to the portfolio management fee.

**<u>Risk Factors associated with investments in Gold/Gold ETFs:</u>**

**Liquidity Risk**: Trading in units of the scheme on the Exchange may be halted because of market conditions or for reasons that in view of the Exchange authorities or SEBI, trading in units of the scheme is not advisable. In addition, trading in units is subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange(s) and SEBI "circuit filter" rules as applicable from time to time. There can be no assurance that the requirements of the exchange/s necessary to maintain the listing of units of the scheme will continue to be met or will remain unchanged. The Mutual Fund scheme has to sell gold only to bullion bankers/ traders who are authorized to buy gold. Though, there are adequate number of players (commercial or bullion bankers) to whom the Fund can sell gold. However, the Fund may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses.

**Regulatory Risk**: Any changes in trading regulations by the stock exchange (s) or SEBI may affect the ability of Authorised Participant/ Market maker to arbitrage resulting into wider premium/ discount to NAV. Any changes in any other regulation relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the scheme to buy/sell gold against the purchase and redemption requests received.

**Passive Management of Investments in case of ABSL Gold ETF**: ABSL Gold ETF shall follow a passive investment strategy. ABSL Gold ETF's performance may be affected by the general price decline in the gold prices. ABSL Gold ETF shall invest in Gold regardless of their investment merit. ABSL Gold ETF does not aim to take any defensive position in case of falling markets.

**Active Market**: Although ABSL Gold ETF is listed on exchanges, there can be no assurance that an active secondary market will be developed or maintained. The AMC and the Trustees will not be liable for delay in trading of Units on Stock Exchange due to the occurrence of any event beyond their control. For an investor in less than creation unit size, exchange quotes may not be always available.

**Tracking Error**: Tracking error may have an impact on the performance of the scheme. However, the AMC will endeavour to keep the tracking error as low as possible. Tracking error may be accounted by the various reasons which includes but not limited to expenses, cash balance to meet redemptions, dividend payout, delay in purchase/sell of gold, Illiquidity, delay in realization of sale proceeds, buy/sell transactions at different point in time which may not correspond to the closing price, transaction cost (including taxes, insurance etc), creation of lot size etc.

**Redemption Risk**: Investors may note that even though this is an open-ended scheme, ABSL Gold ETF would repurchase units in creation unit size only. Thus, if the unit holding is less than the creation unit size then it can be sold only through the secondary market on the exchange where the units are listed, subject to rules and regulations of the Stock Exchange. The AMC will appoint Authorised Participant(s)/Market Makers to provide liquidity in secondary market on an ongoing basis. The Authorised Participant(s) would offer daily two-way quote in the market. Further the price received upon redemption of units may be less than the value of the gold represented by them.

The market price of the ETF unit like any other listed security is largely dependent on two factors viz. the intrinsic value of the unit (or NAV) and demand and supply of the units in the market. Sizeable demand or supply of the units in exchange may lead to market price of the units to quote at premium or discount to NAV. And hence the units of the scheme may trade above or below the NAV. However, given that the investors can transact with AMC directly beyond the creation unit size of the scheme there should not be a significant variation (large premium or discount) and it may not sustain due to the arbitrage opportunity available.

The gold price reflects the prices of gold at a point in time, which is the price at close of business day. The scheme, however, may trade these securities at different points in time during the trading session and therefore the prices at which the scheme trades may not be identical to the closing price of gold.

**Market Risk:** The value of the Units relates directly to the value of the gold held by the Scheme and fluctuations in the price of gold could adversely affect investment value of the Units. The factors that may affect the price of gold, inter alia, include demand & supply, economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, movement/trade of gold that may be imposed by RBI, trade and restrictions on import/export of gold or gold jewellery etc. Hence the investor may also lose money due to fluctuation in the prices of the Gold.

**Performance/Asset Class Risk:** The performance of the gold will have a direct bearing on the performance of the scheme. The returns from physical gold may underperform returns from any other asset class.

**Currency Risk:** The formula for deriving the NAV of the units of the scheme is based on the imported (landed) value of the gold, which is computed by multiplying international market price by US Dollar value. Hence the value of NAV or Gold will depend upon the conversion value and attracts all the risk associated with such conversion.

**Physical Gold:** There is a risk that part or all of the Scheme's gold could be lost, damaged or stolen. Access to the Scheme's gold could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the scheme and consequently on investment in units.

**Counter party Risk:** There is no Exchange for physical gold in India. The Mutual Fund may have to buy or sell gold from the open market, which may lead to counter party risks for the Mutual Fund for trading and settlement.

**Operational Risks:** Gold Exchange Traded Funds are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Gold Exchange Traded Fund, an open ended Exchange Traded Fund, is therefore subject to operational risks. In addition, investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power. In the event that the price of gold declines, the value of investment in Units is expected to decline proportionately the scheme may not be able to acquire or sell the desired number of units of gold due to conditions prevailing in the market, such as, but not restricted to circuit filters on the gold ETF (if any), liquidity and volatility in gold prices.

Settlement of trades, repurchase of Units by the Mutual Fund will depend upon the confirmations to be received from depository (ies) on which the Mutual Fund has no control. Further, Investors may note that buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.

**Risk of Quantitative Investing:**

- Asset allocation based on quantitative analysis may perform differently from the market as a whole due to the factors used in the analysis and the weight placed on each factor and markets behaves differently from the factor’s historical trends.
- If the strategy of the portfolio is to always remain diversified across all asset class, it may tend to underperform the best performing asset class at any given point of time.
- If portfolio seeks to allocate assets dynamically, based on certain market factors, there could be times when the allocation calls may go wrong. In other words, portfolio may go overweight on an asset class, which subsequently may underperform or vice versa. However, the severity of impact will be lower due to its built-in feature of asset allocation.

- If portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.

**Risk arising out of Non-diversification**

- The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

**Risk arising out of investment in Associate and Related Party transactions**

- All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.
- The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

**Risk associated with Advisory Services**

- The Portfolio Manager shall be solely acting as an advisor to the portfolio of the client and shall not be responsible for the investment / divestment of securities and / or an administrative activity on the client's portfolio.

## 7) NATURE OF EXPENSES

### 1. <u>Non-Discretionary PMS:</u>

### a. <u>ABSL Customised Real Estate Portfolio:</u>

| | |
|---|---|
| **Management fee** | Regular Investor / Client – Up to 2.0% p.a* on the Investment amount (exclusive of tax) and payable quarterly.<br><br>Direct Investor / Client- Up to 1% p.a. on the Investment amount (exclusive of tax) and payable quarterly. |
| **Operating Expenses** | 1. The brokerage cost shall be charged to the Investor / Client as per the actual cost incurred.<br><br>2. Custodian and other incidental charges of 0.5% p.a. or actual cost incurred (whichever is lower) will be charged to the Investor / Client separately from the Management Fee and Performance Fee. |
| **Performance Fee** | The performance fee shall be charged by the Portfolio Manager on an individual deal basis. On each deal, post INR 15 % IRR (pre-tax) distribution shall be 80:20 (The Investor's share will be 80 % and remaining share will be of the Portfolio Manager). Above shall be subject to change as maybe decided mutually between the Client / Investor and Portfolio Manager. |
| **Lock in or Redemption Terms** | Exit load Up to 3% for a period as mutually agreed by the Portfolio Manager and the Investor / Client in accordance with SEBI (Portfolio Manager) Regulations, 2020. Please note that exit load will be charged on the current value of the Portfolio on the basis of the most recent valuation provided by the Portfolio Manager on the date of exit.<br><br>An Investor / Client may request redemption of the securities they are holding. In such a case where the investor requests an exit from the Portfolio, the Portfolio Manager will provide an exit to the Investor / Client on a best effort basis. In case, where the Portfolio Manager is able to provide an exit to the Investor, the exit load has to borne by the Investor by paying such amount to the Portfolio Manager. Any loss arising due to decrease in valuation of securities has to be borne by the Investor / Client, as the debt instruments/ papers may have insufficient/no liquidity. |

Any other charges if applicable on actual basis
All statutory duties and levies including GST at applicable rates shall be levied on expenses/charges as mentioned.
*Includes commission expense

### b. **ABSL Customised Debt Portfolio: (NDPMS)**

**Customised debt – Managed**

| | **Regular** | **Direct Client** |
|---|---|---|

| | | |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 1.00% p.a. *^ | Upto 0.50% p.a. * |
| **Custody Fee** | On Actuals | - |
| **Transaction Charges:** | On Actuals | - |
| **Fund Accounting Fee:** | On Actuals | - |
| **Brokerage** | On Actuals | - |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client | |

* On the average AUM
^ Includes Commission Expense

**Customised debt – Held Till Maturity**

| | Regular | Direct Client |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 1.00% p.a. *^ | Upto 0.50% p.a. * |
| **Custody Fee** | On Actuals | - |
| **Transaction Charges:** | On Actuals | - |
| **Fund Accounting Fee:** | On Actuals | - |
| **Brokerage** | On Actuals | - |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client | |

*On average AUM
^ Includes Commission Expense

2. **Discretionary PMS:**

a. **ABSL Core Equity Portfolio**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges<br>Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM

^ Includes Commission Expense

**b. ABSL Select Sector Portfolio**

**(Pursuant to approval at the Product Committee Meeting dated December 13, 2016, the strategy has been restructured as Select Sector Portfolio. No new investments are accepted under erstwhile India Reform Portfolio w.e.f. the said date.)**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges<br>Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM

^ Includes Commission Expense

c. **ABSL India Large Cap Quant Equity Portfolio:**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges<br>Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

*On the average AUM

^ Includes Commission Expense

**d. ABSL India 200 Quant Equity Portfolio:**

| | Regular | Direct Client |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM
^ Includes Commission Expense

e. **ABSL ADAPT Portfolio**

| | Regular | Direct Client |
|---|---|---|
| **Fixed Management Fee** | **Fixed Fees*^-**<br>Very Conservative: Upto 0.75%<br>Conservative: Upto 1.00%<br>Moderate: Upto 1.50%<br>Aggressive: Upto 2.00%<br>Very Aggressive: Upto 2.50% | **Fixed Fees*-**<br>Very Conservative: Upto 0.50%<br>Conservative: Upto 0.75%<br>Moderate: Upto 1.00%<br>Aggressive: Upto 1.25%<br>Very Aggressive: Upto 1.50% |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM

^ Includes Commission Expense

f. **ABSL Customised Equity Portfolio:**

| | Regular | Direct Client |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |

| | |
|---|---|
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. |
| **Transaction Charges:** | On Actuals. |
| **Fund Accounting Fee:** | Rs.335 per month. |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. |

* On the average AUM
^ Includes Commission Expense

**g. ABSL Top 200 Core Equity Portfolio:**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |

| | |
|---|---|
| **Transaction Charges:** | On Actuals. |
| **Fund Accounting Fee:** | Rs.335 per month. |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. |

*On the average AUM

^ Includes Commission Expense

**h. ABSL India Special Opportunities Portfolio:**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |

| | |
|---|---|
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. |

* On the average AUM
^ Includes Commission Expense

i. **<u>ABSL Next 100 Portfolio:</u>**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | <u>For resident clients:</u><br><u>Upto 8 bps p.a. on average AUM.</u><br><br><u>For NRI clients:</u><br><u>Upto 15 bps p.a. on AUC per investor.</u> | |
| **Transaction Charges:** | <u>On Actuals.</u> | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of ‘buy’) or reduced from (in case of ‘sale’) trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

*On the average AUM
^ Includes Commission Expense

## j. ABSL Innovation Portfolio:

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil.<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br><br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

*On the average AUM

^ Includes Commission Expense

**k. ABSL Asset Linked Portfolio:**

| | Regular | Direct Client |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 1.00% p.a. *^ | Upto 0.50% p.a. * |
| **Custody Fee** | On Actuals | - |
| **Transaction Charges:** | On Actuals | - |
| **Fund Accounting Fee:** | On Actuals | - |
| **Brokerage** | On Actuals | - |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM
^ Includes Commission Expense

**l. ABSL Customised Debt Portfolio:**

**Customised debt – Managed**

| | Regular | Direct Client |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 1.00% p.a. *^ | Upto 0.50% p.a. * |
| **Custody Fee** | On Actuals | - |
| **Transaction Charges:** | On Actuals | - |
| **Fund Accounting Fee:** | On Actuals | - |
| **Brokerage** | On Actuals | - |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM
^ Includes Commission Expense

**Customised debt – Held Till Maturity**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 1.00% p.a. *^ | Upto 0.50% p.a. * |
| **Custody Fee** | On Actuals | - |
| **Transaction Charges:** | On Actuals | - |
| **Fund Accounting Fee:** | On Actuals | - |
| **Brokerage** | On Actuals | - |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

* On the average AUM
^ Includes Commission Expense

m. **ABSL Liquid Portfolio:**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Fixed Management Fee** | Upto INR 1200 | Upto INR 1200 |
| **Custody Fee** | Nil | |
| **Transaction Charges:** | On Actuals | |
| **Fund Accounting Fee:** | Upto Rs.335 per month | |
| **Brokerage** | NA | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |

Note: All statutory duties and levies including Goods and Service Tax at applicable rates shall be levied on expenses/charges as mentioned above. Any other taxes, duties and fees, which may be levied from time to time for providing the services. The fees structure mentioned above shall be determined from product to product.

The aforesaid fees and expense structures are subject to such modifications as may be agreed by and between the Portfolio Manager and Clients at the time of execution of the Portfolio Management Agreement based on individual requirements of the Clients.

n. **ABSL India Equity Services Portfolio:**

| | **Regular** | **Direct Client** |
|---|---|---|
| **Option 1 - Fixed Management Fee** | Upto 2.50% p.a. *^ | Upto 1.50% p.a. |

| | | |
|---|---|---|
| **Option 2 - Fixed + Variable Fee** | 1. Fixed Management Fee: Upto 1.50% p.a.*^<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 20% of return in excess of 12% p.a. | 1. Fixed Management Fee: Upto 1.00% p.a.<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o For return upto 12% p.a. – Nil<br>o For return above 12% p.a. – Upto 15% of return in excess of 12% p.a. |
| **Option 3 - Variable Fee** | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. | 1. Fixed Management Fee: Nil<br>2. Variable Management Fee (charged on High Water Mark basis):<br>o Upto 15% of return in excess of 0% p.a. |
| **Custody Fee** | For resident clients:<br>Upto 8 bps p.a. on average AUM.<br>For NRI clients:<br>Upto 15 bps p.a. on AUC per investor. | |
| **Transaction Charges:** | On Actuals. | |
| **Fund Accounting Fee:** | Rs.335 per month. | |
| **Brokerage** | On Actuals ( Upto 0.12%). Such costs either get added to (in case of 'buy') or reduced from (in case of 'sale') trade value. | |
| **Account Opening & Maintenance** | Upto Rs. 1,500 one time a/c opening charges Upto Rs. 2,000 per annum a/c maintenance charges. | |
| **Professional Charges for NRI Clients** | Upto Rs.11,000 p.a. | |
| **Exit Load** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. | |
| **Taxation** | Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision. | |

o. **ABSL Customised Real Estate Portfolio**

| | |
|---|---|
| **Management fee** | Regular Client – Upto 2.0% p.a* on the Investment amount (exclusive of tax).<br>Direct Client- Upto 1.75% p.a.* on the Investment amount (exclusive of tax). |
| **Operating Expenses** | Custodian and other incidental charges of 0.5% or actual cost incurred (whichever is lower) will be charged to the investor. |
| **Performance Fee/ Carry** | The performance fee / carry (without catch up) may be charged by the Portfolio Manager on individual deal basis. On each deal, post INR 11 % IRR (pre-tax) distribution shall be in the ratio of upto 90:10. The Investor's share will be upto 90% and remaining share will be of the Portfolio Manager, as may be mutually agreed between the Portfolio Manager and the Client. Above shall be at the discretion of portfolio manager and subject to change on deal/client basis. |
| **Lock in or Redemption Terms** | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client.<br><br>Please note that exit load will be charged on the basis of the most recent valuation provided by the Portfolio Manager on the basis of the annual valuation exercise or on the basis of Face Value of Investment, whichever is higher.<br>In case where the Portfolio Manager is able to provide an exit to the Investor, the exit load has to borne by the Investor by paying such amount to the Portfolio Manager.<br>Additionally, the fund reserves the right to return the principal back to investor if the collection from investors doesn't reach minimum threshold / target amount – at the discretion of the Portfolio Manager.<br>Investors can only request a complete redemption of the securities they are holding. In such a case where the investor requests an exit from the Portfolio, the Portfolio Manager will transfer the securities into the designated demat account as specified by the investor. Any loss arising due to decrease in valuation of securities has to be borne by the investor, as the debt instruments/ papers may not have sufficient/no liquidity. |

*Includes Commission Expenses

p. **Portfolio Management Services to Provident Funds, Insurance Companies, Corporate Treasuries and Special Mandates**

| | |
|---|---|
| **Management fee** | As per mutually agreed with the client. |
| **Operating Expenses** | 1. The brokerage cost shall be charged to the investor as per the actual cost incurred.<br>2. Custodian and other incidental charges of 0.5% or actual cost incurred (whichever is lower) will be charged to the investor. |
| **Lock in or Redemption Terms**<br><br>#<br>T<br>h<br>e | Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client.<br><br>Please note that exit load will be charged on the basis of the most recent valuation provided by the Portfolio Manager on the basis of the annual valuation exercise or on the basis of Face Value of Investment, whichever is higher.<br>In case where the Portfolio Manager is able to provide an exit to the Investor, the exit load has to borne by the Investor by paying such amount to the Portfolio Manager.<br>Additionally, the fund reserves the right to return the principal back to investor if the collection from investors doesn’t reach minimum threshold / target amount – at the discretion of the Portfolio Manager.<br>Investors can only request a complete redemption of the securities they are holding. In such a case where the investor requests an exit from the Portfolio, the Portfolio Manager will transfer the securities into the designated demat account as specified by the investor. Any loss arising due to decrease in valuation of securities has to be borne by the investor, as the debt instruments/ papers may not have sufficient/no liquidity. |

**3. <u>Co-investment services</u>**

The Portfolio Manager may charge referral fees and / or any other compensation to the co-investors in relation to their Co-investments, as may be mutually agreed, which would be apart from the fees or compensation charged under the AIF. Any transactional expenses in respect of a Co-investment opportunity incurred by the AIF may be shared proportionately between the AIF and such co-investors in the ratio of their amounts of investments, or in such other manner as the Portfolio Manager may determine. The fees and expenses to be charged to Clients for Co-investment services shall be as per the Agreement executed between the Client and the Portfolio Manager. However, an indicative list of expenses and fees are provided below:

| | |
|---|---|
| **Management fee** | As mutually agreed with the client. |
| **Operating Expenses** | 1. The brokerage cost, if any shall be charged to the investor as per the actual cost incurred.<br>2. Custodian and other incidental charges of 0.5% or actual cost incurred (whichever is lower) will be charged to the investor. |
| **Lock in or Redemption Terms** | Exit from co-investments shall be co-terminus with the AIF in accordance with applicable law. |
| **Performance Fee** | As mutually agreed with the client. |

## 8. TAXATION

Tax Implications for Clients. The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 ("the Act").

### A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

### B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

### C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

**Period of Holding**

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

| Securities | Position upto 22 July 2024 Period of Holding | Position on or after 23 July 2024 Period of Holding | Characterization |
|---|---|---|---|
| Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds | More than twelve (12) months | More than twelve (12) months | Long-term capital asset |
| | Twelve (12) months or less | Twelve (12) months or less | Short-term capital asset |
| Unlisted shares of a company | More than twenty-four (24) months | More than twenty-four (24) months | Long-term capital asset |
| | Twenty-four (24) or less | Twenty-four (24) or less | Short-term capital asset |
| Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023; or unlisted bond or unlisted debenture) | More than Thirty-six (36) months | More than twenty-four (24) months | Long-term capital asset |
| | Thirty-six (36) months or less | Twenty-four (24) or less | Short-term capital asset |
| Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023 | Any period | Any period | Short-term capital asset |
| Unlisted bond or unlisted debenture | More than 36 months | | Long-term capital asset |
| | 36 months or less | Any period | Short-term capital asset |

- **<u>Definition of Specified Mutual Fund:</u>**

<u>Before 1st April 2025:</u>

"Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

<u>On and after 1st April 2025:</u>

"**Specified Mutual Fund**" means, —

*(a)* a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or
*(b)* a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).

- **Definition of debt and money market instruments:**

  "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

- **Definition of Market Linked Debenture:**

  "Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

  The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.

  As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

  Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assessees. This tax rate is increased from 10% to 12.5%.

  The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

  Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

- **<u>For other capital assets (securities and units) in the hands of resident of India</u>**

Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **<u>For capital assets in the hands of Foreign Portfolio Investors (FPIs)</u>**

Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **<u>For other capital asset in the hands of non-resident Indians</u>**

Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

**D. Short term capital gains**

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

**E. Profits and gains of business or profession**

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the IT Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as 'Income from other sources' or 'business income' depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

**F. Losses under the head capital gains/business income**

In terms of section 70 read with section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

**G. General Anti Avoidance Rules (GAAR)**

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) below mentioned tainted elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in directly / indirectly misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into, or carried out, by means, or in a manner, which is not normally employed for bona fide purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or recharacterize or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure; or
- Recharacterising equity into debt, capital into revenue, etc.

The GAAR provisions would override the provisions of a treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the Income-tax Rules, 1962. The Income-tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

On 27 January 2017, the CBDT has issued clarifications on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Some of the important clarifications issued are as under:

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (LOB) in a tax treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.
- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

## H. <u>FATCA Guidelines</u>

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reporting Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India. A statement is required to be provided online in Form 61B for every calendar year by 31 May. The reporting financial institution is expected to maintain and report the following information with respect to each reportable account:

(a) the name, address, taxpayer identification number and date and place of birth;
(b) where an entity has one or more controlling persons that are reportable persons:

(i) the name and address of the entity, TIN assigned to the entity by the country of its residence; and
(ii) the name, address, date of birth, place of birth of each such controlling person and TIN assigned to such controlling person by the country of his residence.

(c) account number (or functional equivalent in the absence of an account number);
(d) account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
(e) the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz. US reportable accounts and other reportable accounts (i.e. under CRS).

**I. <u>Goods and Services Tax on services provided by the portfolio manager</u>**

Goods and Services Tax (GST) will be applicable on services provided by the Portfolio Manager to its Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards portfolio management fee.

**Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts and circumstances of each case. The client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment in the PMS offered by the Portfolio Manager.**

## 8) ACCOUNTING POLICIES

ABSLAMC has outsourced Portfolio Accounting function presently to Deutsche Bank AG, Mumbai. Following key policies shall be followed:

Following accounting policies are followed for the portfolio investments of the Client:

### a. Client Accounting

- The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.

- The books of account of the Client shall be maintained on an historical cost basis.

- Transactions for purchase or sale of investments shall be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.

- All expenses will be accounted on due or payment basis, whichever is earlier.

- The cost of investments acquired or purchased shall include brokerage, stamp charges and any charges customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities transaction tax, demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

- Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

### b. Recognition of portfolio investments and accrual of income

- In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.

- Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

- Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.
- Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

- Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

- In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

- Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

### c. Valuation of portfolio investments

- Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

- Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.

- Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

- Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.

- In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar Securities. However, such changes would be in conformity with the Regulations.

## 9) INVESTOR SERVICES

ABSLAMC seeks to provide PMS clients a high standard of service and is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. At ABSLAMC, we believe it is imperative that an investor invests in a product that suits his risk-return profile; and to achieve this objective, we extend the scope of "client service" to ensure client – product suitability as a first step in this direction.

The gamut of client service offerings by ABSLAMC includes:

- Client-Product Suitability to ensure that a client invests in a portfolio that best suits his risk-return profile. This is done by matching client's risk profile with that of the product.
- PMS communication in the form of:
  - Welcome letter that briefs about Investor registered details in PMS records host of services available and various touch points.
  - Welcome Mailer sent to the customer's registered email id on creation / activation of the portfolio
  - ABSLPMSATV ATV "Any Time Valuation" service to access the portfolio valuation & reports through an SMS from the registered mobile number of the customer.
  - PMS Toll Free Number – 1800 270 7000 serving all days from 9 am to 9 pm.
  - Monthly product synopsis that is mailed to clients.
  - Monthly Tax Invoice containing the Fees and Expenses deducted on Monthly basis is mailed to clients. / Monthly Portfolio Statements are sent to all investors on their registered email id.
  - Customer would also receive SMS and Email through our RTA – CAMS on activation of the portfolio as well as whenever there is a transaction done.
- A secure 24x7 access web access for online viewing which serves as a One-Stop solution for all kinds of portfolio report requirement.
- A one point contact through PMS dedicated email id, contact point and service id – care.pms@adityabirlacapital.com that helps attend and address client queries and requests with the least lead time.
- PMS Insights" Mobile App Launched.

Computer Age Management Services Limited (CAMS) acts as the service provider (R&T) for the Aditya Birla Sun Life AMC Limited - Portfolio Manager.

**Name, address and telephone number of the Investor Relation Officer who shall attend to the investor queries and complaints:**

**Mr. Amit Jain**
**Compliance Officer**

**Correspondence Address**: Aditya Birla Sun Life AMC Limited.
One World Center, Tower 1, 17$^{th}$ Floor,
Jupiter Mills, Senapati Bapat Marg,
Elphinstone Road, Mumbai 400 013.
Tel: 1800 270 7000
Email: amit.jain8@adityabirlacapital.com

**Grievance redressal and dispute settlement mechanism:**

**Grievance Redressal:**

The aforesaid personnel of ABSLAMC shall attend to and address any client query or concern as soon as practicably possible.
Investors may also register/lodge complaints online on SCORES (SEBI Complaints Redressal System) Portal i.e. https://scores.sebi.gov.in/ by clicking on "Complaint Registration" under "Investor Corner".

With reference to SEBI Circular Ref No SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31st, 2023 (updated as on December 20, 2023) w.r.t Online Resolution of Disputes in the Indian Securities Market, the smart ODR details is provided on our website. The Smart ODR link is https://smartodr.in/login.

**Dispute Settlement Mechanism:**

All disputes, differences, claims and questions whatsoever which shall arise either during the subsistence of the agreement with a client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising therefrom or the interpretation of any provision therein shall be, in the first place settled by mutual discussions, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Mumbai and be conducted in English language.

The agreement with the client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by the either party of its obligations will be conducted exclusively in courts located within the city of Mumbai in the State of Maharashtra.

**10) Details of diversification policy for the Portfolio Manager:**

The Portfolio Manager offers Portfolio Management Services based on defined investment approaches, each of which is described in this Document. These investment approaches are structured to reflect specific investment philosophies, risk-return profiles, and asset allocation strategies. Diversification across asset classes, sectors, instruments, or issuers is undertaken to the extent it aligns with the underlying investment approach.

The Portfolio Manager is not under any obligation to ensure diversification of the Portfolio and may at its discretion hold a concentrated portfolio of investments in a few securities or single security. Accordingly, Portfolios may, depending on the chosen investment approach, be relatively concentrated in specific securities or sectors, where such concentration is inherent to the strategy. This may increase exposure to company- or sector-specific risks and may result in higher volatility or sharper drawdowns in adverse market conditions.

While diversification may be considered during portfolio construction and review, the extent of diversification is not uniform across investment approaches and is not assured. The Portfolio Manager retains the discretion to construct concentrated or focused portfolios where appropriate, in line with the client's selected investment approach. Clients are advised to carefully evaluate the features and risk factors of the chosen investment approach prior to investment.

## 11) GENERAL

**Prevention of Money Laundering**

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client ("**KYC**") policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record Investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client, holding the funds/Securities in his name, is legally authorized / entitled to invest the said funds/securities through the services of the Portfolio Manager, for the benefit of the beneficiaries.

The Portfolio Manager may not seek fresh KYC from the Clients who are already KYC Registration Agency ("**KRA**") compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its directors, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client's account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy. If the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws, then it will report the same to FIU-IND.

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

**12) (I) CLIENT REPRESENTATION FOR ALL PRODUCTS:**

| Category of Clients | | No. of clients | | | | Funds managed (Rs. Crs) | | | | Discretionary/ Advisory/ Non-Discretionary |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As on 31/07/25 | As on 31/03/25 | As on 31/03/24 | As on 31/03/23 | As on 31/07/25 | As on 31/03/25 | As on 31/03/24 | As on 31/03/23 | |
| 1 | Associates / Group Companies | 0 | 0 | 1 | 1 | 0 | - | 25.05 | 52.19 | Advisory |
| 2 | Others | 2953** | 2733 | 2031 | 2,195 | 28,191.79 | 26,831.28 | 1,880.00 | 1,405.06 | Discretionary |
| | | 0 | 0 | 0 | 0 | 0 | - | - | - | Advisory |
| | | 1 | 0 | 0 | 0 | 70.23 | - | - | - | Non-Discretionary |
| **Total** | | **2,954** | **2,733** | **2,032** | **2,196** | **28,262.02** | **26,831.28** | **1,905.05** | **1457.25** | |

**Discretionary Client wise count as on 31/07/25- 2,953.
** Discretionary Owner-wise Unique Client count is 2,345 (as reported in SEBI PMS Monthly report).

Note: AUM is net-off expenses. Currently there are no investors under Non-Discretionary PMS.

**(II) COMPLETE DISCLOSURE IN RESPECT OF TRANSACTIONS WITH RELATED PARTIES AS PER THE STANDARDS SPECIFIED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA.**

**Disclosure in respect of Related Party of Aditya Birla Sun Life AMC Limited pursuant to Accounting Standard 18 in the Audited Accounts for the year ended March 31, 2025**

**a) List of Related Parties:**

| | |
|---|---|
| **A** | **Parent of the Entity having significant influence** |
| | Grasim Industries Limited |
| **B** | **Entity having significant influence** |
| | Aditya Birla Capital Limited (ABCL) (Ceased to be holding company w.e.f 24th August, 2023) |
| | Sun Life (India) AMC Investments Inc, Canada |
| **C** | **Other Related Party** |
| | Aditya Birla Management Corporation Private Limited |
| | Green Oak India Investment Advisors Private Limited |
| | Birla Group Holding Private Limited |
| **D** | **Subsidiaries/Joint Venture of Entity having significant influence** |
| | Aditya Birla Sun Life Insurance Company Limited |
| | Aditya Birla Sun Life Trustee Private Limited |
| | Aditya Birla Finance Limited |
| | Aditya Birla Money Limited |
| | Aditya Birla Financial Shared Services Limited |
| | Aditya Birla ARC Limited |
| | Aditya Birla Stressed Asset AMC Pvt Limited |
| | Aditya Birla Housing Finance Limited |
| | Aditya Birla Wellness Private Limited |

| | |
|---|---|
| | Aditya Birla Capital Technology Services Limited (Merged with Aditya Birla Financial Shared Services Limited w.e.f 2nd July 2024) |
| | Aditya Birla Capital Digital Limited |
| **E** | **The entities in respect of which Funds are managed by the Company** |
| | India Advantage Fund Limited |
| | International Opportunities Fund SPC |
| | India Yield Advantage Fund VCC (incorporated on 11-06-2024) |
| **F** | **Subsidiaries** |
| | Aditya Birla Sun Life AMC (Mauritius) Limited |
| | Aditya Birla Sun Life AMC Pte. Limited, Singapore |
| | Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai |
| **G** | **Directors and Key Management Personnel** |
| | Kumar Mangalam Birla (Non-Executive Director up to April 19, 2023) |
| | Vishakha Mulye |
| | A. Balasubramanian (Managing Director and Chief Executive Officer) |
| | Sandeep Asthana (Non-Executive Director) |
| | Amrit Kanwal (Non-Executive Director up to December 18, 2024) |
| | Alka Bharucha (Independent Director up to March 30, 2025) |
| | Harish Engineer (Independent Director up to April 30, 2023) |
| | Navin Puri (Independent Director) |
| | Sunder Rajan Raman (Independent Director) |
| | Ramesh Abhishek (Independent Director) |
| | Supratim Bandyopadhyay (Independent Director from June 1, 2023) |
| | Manjit Singh (Non-Executive Director from December 19, 2024) |
| | Anita Ramachandran (Additional Non-Executive Director from March 25, 2025) |
| | Ms. Hemanti Wadhwa (Chief Compliance Officer & Company Secretary up to April 26, 2024) |
| | Mr. Parag Joglekar (Chief Financial Officer up to September 13, 2024) |
| | Mr. Prateek Savla (Company Secretary from April 26, 2024) |
| | Mr. Pradeep Sharma (Chief Financial Officer from October 31, 2024) |

**b) Transactions with Related Parties (Standalone figures) (Rs. In crores)(as on March 31, 2025)**

| **Particulars** | **Referred to** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **A** | **B** | **C** | **D** | **E** | **F** | **G** |
| 1. Income | - | - | - | - | - | 5.92 | - |
| 2. Expenses | | | | | | | |
| Fees and Commission | - | - | - | 1.65 | - | - | - |
| Brokerage | - | - | - | 0.07 | - | - | - |
| Professional Charges Marketing | - | - | - | - | - | 11.05 | - |
| Contribution to Group Mediclaim /Insurance Premium/Gratuity | - | - | - | 8.00 | - | - | - |

| **Particulars** | **Referred to** | | | | | | |
|---|---|---|---|---|---|---|---|
| | **A** | **B** | **C** | **D** | **E** | **F** | **G** |
| Business Promotion Expenses | - | - | - | 5.60 | - | - | - |
| Rent | - | - | 1.17 | - | - | - | - |
| Advisory Services | - | - | 1.21 | - | - | - | - |
| Software & technology Expenses | - | - | - | 1.64 | - | - | - |
| Employee Benefit Expenses | - | - | - | 0.20 | - | - | - |
| 3. Reimbursements of costs paid | - | 36.26 | 0.08 | 53.67 | - | 0.19 | - |
| 4. Reimbursements of costs received | 0.10 | - | - | 7.04 | - | 0.07 | - |
| 5. Managerial Remuneration | - | - | - | - | - | - | 25.37 |
| 6. Director's Sitting fees | - | - | - | - | - | - | 0.83 |
| 7. Dividend Paid | - | 291.70 | - | - | - | - | 0.02 |
| 8. Security Deposit Given and Refundable | - | - | - | 0.12 | - | - | - |
| 9. Security Deposit Taken and Payable | - | - | - | 0.98 | - | - | - |
| 10. Purchase of Fixed Assets | - | - | - | 0.09 | - | - | - |
| Prepaid Expenses balances | - | - | - | 1.47 | - | - | - |
| Outstanding Balances payable | - | 3.26 | 0.30 | 13.51 | - | 2.03 | - |
| Outstanding Balances receivables | - | - | - | 2.92 | - | 1.17 | - |

Conflict of Interest Policy is in place and transactions are done at arm's length basis.

**13) THE FINANCIAL PERFORMANCE OF ABSLAMC (BASED ON STANDALONE AUDITED FINANCIAL STATEMENTS)**

**(Rs. in crores)**

| **Particulars** | **Quarter ended June 30, 2025 (unaudited)** | **Year ended March 31, 2025** | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|---|---|
| Management & Advisory Fee | 415.98 | 1,560.96 | 1,263.60 | 1,160.63 |
| Income from Portfolio Management and Other Services | 25.95 | 98.13 | 66.58 | 44.60 |
| Other Income | 117.56 | 299.49 | 285.94 | 126.35 |
| Total Income including Other Income | 559.49 | 1,958.58 | 1,616.12 | 1,331.59 |
| Total Expenses | 187.43 | 719.92 | 614.10 | 543.17 |
| Income Tax Expense | 95.17 | 313.94 | 227.79 | 197.48 |
| Net Income after Tax | 276.89 | 924.72 | 774.23 | 590.93 |
| Equity Capital | 144.28 | 144.24 | 144.05 | 144.00 |
| Reserves & Surplus(Other Equity) | **3,838.58** | **3,559.75** | **3,010.45** | **2,364.95** |

As per SEBI vide its circular dated December 10, 2021 - Latest Net-worth of Aditya Birla Sun Life AMC Limited as on June 30, 2025 is Rs. 3,901.52 Crores.

**14) PERFORMANCE OF PORTFOLIO MANAGER:**

**(A) Portfolio Management performance of the portfolio manager for the last three years in case of discretionary Portfolio - disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.:**

| Sr. No. | Investment Approach | April 1, 2025 – July 31, 2025 | 2024-2025 | 2023-2024 | 2022-2023 |
|---|---|---|---|---|---|
| 1. | ABSL Core Equity Portfolio | 7.91% | -1.39% | 33.80% | -3.02% |
| | Benchmark: Nifty 50 TRI | 6.00% | 5.35% | 30.08% | 0.59% |
| 2. | ABSL Select Sector Portfolio | 15.54% | 19.73% | 47.31% | 7.23% |
| | Benchmark: BSE 500 TRI | 7.76% | 5.96% | 40.16% | -0.91% |
| 3. | ABSL Top 200 Core Equity Portfolio | 5.42% | 5.18% | 35.28% | 0.86% |
| | Benchmark: Nifty 50 TRI | 6.00% | 6.65% | 30.08% | 0.59% |
| 4. | ABSL India Special Opportunities Portfolio | 2.65% | 6.72% | 40.74% | 6.09% |
| | Benchmark: BSE 500 TRI | 7.76% | 5.96% | 40.16% | -0.91% |
| 5. | ABSL Innovation Portfolio | 9.08% | 8.53% | 43.53% | 5.52% |
| | Benchmark: BSE 500 TRI | 7.76% | 5.96% | 40.16% | -0.91% |
| 6. | ABSL Next 100 Portfolio | 5.34% | 11.97% | 32.44% | -5.11% |
| | Benchmark: Nifty 50 TRI | 6.00% | 6.65% | 30.08% | 0.59% |
| 7. | ABSL India 200 Quant Equity Portfolio | 6.39% | 8.12% | 47.96% | 0.04% |
| | Benchmark: BSE 500 TRI | 7.76% | 5.96% | 40.16% | -0.91% |
| 8. | ABSL India Large Cap Quant Equity Portfolio | 3.01% | 0.98% | 31.31% | -1.48% |
| | Benchmark: Nifty 50 TRI | 6.00% | 6.65% | 30.08% | 0.59% |
| 9. | ABSL Adapt Portfolio - Very Aggressive | 6.29% | 10.03% | 36.49% | 2.16% |
| | Benchmark: Nifty 50 TRI | 6.00% | 6.65% | 30.08% | 0.59% |
| 10. | ABSL Adapt Portfolio – Moderate | 4.16% | 7.49% | 13.84% | 1.95% |
| | Benchmark: Crisil Composite Bond Index | 2.70% | 8.79% | 8.26% | 3.80% |
| 11. | ABSL Adapt Portfolio- Very Conservative | 2.26% | 6.91% | 9.20% | 3.68% |
| | Benchmark: Crisil Composite Bond Index | 2.70% | 8.79% | 8.26% | 3.80% |
| 12. | ABSL Liquid Portfolio | 2.21% | 5.56% | 0.20% | 5.48% |

| Sr. No. | Investment Approach | April 1, 2025 – July 31, 2025 | 2024-2025 | 2023-2024 | 2022-2023 |
|---|---|---|---|---|---|
| | | | | | |
| | Benchmark: Crisil Composite Bond Index | 2.70% | 8.79% | 8.26% | 3.80% |
| 13. | ABSL India Equity Services Portfolio | 7.02% | -2.33% | - | - |
| | Benchmark: BSE 500 TRI | 7.76% | 5.96% | 40.16% | -0.91% |
| 14. | ABSL Customised Real Estate Portfolio | 3.77% | 12.12% | - | - |
| | Crisil Composite Bond Index | 2.70% | 8.79% | 8.26% | - |
| 15. | ABSL Customised Debt Portfolio | 2.28% | 12.65% | - | - |
| | Crisil Composite Bond Index | 2.70% | 8.79% | - | - |
| 16. | ABSL Customised Equity Portfolio | 11.08% | -7.32% | - | - |
| | Nifty 50 TRI | 6.00% | -0.29% | - | - |
| 17. | PMS for PFs & Special Mandates | 2.31% | 2.71% | - | - |
| | Crisil Composite Bond Index | 2.70% | 1.62% | - | - |
| 18. | NDPMS - ABSL Customized Real Estate Portfolio | 0.34% | - | - | - |
| | Crisil Composite Bond Index | -0.20% | - | - | - |

**Note:**

1. There are no investors in ABSL Asset Linked Portfolio. Hence performance numbers for these portfolios are not available for disclosure.

2. Returns for below investments approaches have been calculated from first investment date in respective investment approach- (i) India Special Opportunities Portfolio -14th June 18) (ii) Nifty next 100- 27th Sep 19 (iii) Innovation -14th Jan 20 (iv) Customised Equity- FOF -4th Oct 17 (v) Liquid Portfolio-24th Mar 20 (vi) Customised Debt Portfolio-23rd July 2024 (vii) Customised Equity Portfolio-12th November 2024 (viii) PMS for PFs & Special Mandates – 14th February 2025 (ix) NDPMS - ABSL Customized Real Estate Portfolio- 24th July 2025.

3. Co-investment Portfolio Management Services - Performance of the Portfolio Manager towards Co-investment shall be calculated and disclosed in the manner agreed between the Portfolio Manager and the Client.

## 15) AUDIT OBSERVATIONS

There have been no adverse audit observations in the preceding 3 years.

**16) Details of investments in the securities of related parties of the Portfolio Manager**

Disclosure as per SEBI Circular dated August 26, 2022:

Investments in the securities of associates/related parties of Portfolio Manager as on September 30, 2025:

| Sr. No. | Investment Approach, if any | Name of the associate/ related party | Investment amount (cost of investment) as on September 30, 2025 (INR in crores) | Value of investment as on September 30, 2025 (INR in crores) | Percentage of total AUM as on September 30, 2025 |
|---|---|---|---|---|---|
| NIL | | | | | |

Place: Mumbai
Dated: October 06, 2025

**For and on behalf of Aditya Birla Sun Life AMC Limited**

| | | |
|---|---|---|
| **Mr. A Balasubramanian** | **:** | **Sd/-** |
| **Mr. Sandeep Asthana** | **:** | **Sd/-** |

# Addendum to Disclosure Document

**Addendum to Disclosure Document for Portfolio Management Services business provided by Aditya Birla Sun Life AMC Limited (ABSLAMC):**

**Changes in Key Personnel:**

1. Mr. Parin Vora has been appointed as Portfolio Manager of Aditya Birla Sun Life AMC Limited - Portfolio Manager with effect from **Saturday, November 1, 2025.**

   In view of the above, the below paragraph under the section "Key Personnel" in the said Disclosure Document will be added as follows:

| Name | Brief Experience |
|---|---|
| **Mr. Parin Vora**<br><br>(Fund Manager – Fixed Income) | Mr. Parin Vora has experience of over 27 years in managing Fixed Income Funds. Prior to joining ABSLAMC, he was associated with Aditya Birla Sun Life Insurance Company Limited for 18 years as Senior Fund Manager – Fixed Income – Investments where he managed fixed income portfolios across short term to long term mandates. |

2. Mr. Vikas Agrawal will cease to be Fund Manager of ABSLAMC w.e.f. **November 16, 2025.**

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of Aditya Birla Sun Life AMC Limited dated September 16, 2025. The Disclosure Document shall stand modified to the extent mentioned above.

**For Aditya Birla Sun Life AMC Ltd.**
(Portfolio Management Division)

Sd/-
**Authorised Signatory**
Date: November 7, 2025
Place: Mumbai

**Aditya Birla Sun Life AMC Limited**
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CIN- L65991MH1994PLC080811

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