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. Nitin Kataria from M/s. P. L. Kataria & Co., 306, Standard House, 83, Maharshi Karve Road, Marine Lines, Mumbai – 400002 bearing Membership Number 102949.

For Aditya Birla Sun Life AMC Limited - Portfolio Managers

Narayan

Mr. Sameer Narayan
Principal Officer

Dated: May 7, 2025
Place: Mumbai

ADITYA BIRLA SUN LIFE AMC LIMITED

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

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 manner to assist and enable the Investors (*as defined hereinbelow*) in making 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

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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.

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1) DISCLAIMER CLAUSE

a) The particulars of this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as amended till date and filed with SEBI.
b) This Document and its contents are for information purposes only and do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities or financial products/investment products mentioned in the Document or an attempt to influence the opinion or behavior of the prospective clients. Any use of the information / any investments and investment related decisions of the prospective clients are at their sole discretion & risk and the Portfolio Manager shall not be responsible/liable for the same in any manner whatsoever, either to such Client or to any third person/entity.
c) This Document has neither been approved or disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2) ABBREVIATIONS & DEFINITIONS

In this Disclosure Document the following terms will have the meanings indicated there against, unless the context suggests otherwise:

"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.
"Advisory Services"	The Portfolio Manager shall advise the client on buy/sell decision within the overall profile without any back office responsibility for trade execution, custody of securities or accounting functions.
"Accreditation agency"	A subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time
"Accredited investor"	Any person who is granted a certificate of accreditation by an accreditation agency who: i. in case of an individual, Hindu Undivided Family, family trust or sole proprietorship has: a) annual income of at least two crore rupees; or 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 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. ii. in case of a body corporate, has net worth of at least fifty crore rupees; iii. in case of a trust other than family trust, has net worth of at least fifty crore rupees; iv. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation: 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.
"Agreement"	the Portfolio Management Services agreement entered into between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
"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 Indian statute, law, ordinance, regulation including the Regulations, circular, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.
"Business Day"	A day other than: i. Saturday and Sunday, ii. a day on which the Banks in Mumbai and/or RBI are closed for business/clearing, iii. a day on which the Bombay Stock Exchange and the National Stock Exchange are closed, iv. a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc.
"Chartered Accountant"	A Chartered Accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (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 managing the funds/portfolio of securities belonging to such person/entity.
"Custodian"	Any entity acting as a custodian to the Portfolio Manager, or any other custodian with whom the Portfolio Manager enters into an agreement for availing custodial Services, which for the time being is HDFC Bank Ltd. and ILFS, Mumbai for the resident clients and Deutsche Bank AG and HDFC Bank Ltd. for Non Resident clients.
"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.
"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.
"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.
"Foreign Portfolio Investor or FPI"	Means a person who satisfies the eligibility criteria prescribed under regulation 4 of SEBI (Foreign Portfolio Investors) Regulations, 2019 and has been registered under Chapter II of these regulations, which shall be deemed to be an intermediary in terms of the provisions of the Securities and Exchange Board of India Act, 1992.

	Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
"Financial Year"	A Financial Year shall be the period of 12 months commencing on 1^{st} of April and ending on the 31^{st} of March of the succeeding year.
"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.
"Investment Approach"	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.
"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 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.
"NISM"	The National Institute of Securities Market established by the Board.
"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 or a person of Indian origin residing outside India.
"Portfolio"	The total holdings of securities and goods belonging to any person.
"Portfolio Manager"	ABSLAMC, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at One World Center, Tower-1, 17^{th} floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013, Maharashtra, which pursuant to a contract with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise) the management or administration of a portfolio of securities or goods or funds of the client, as the case may be: Provided that the Portfolio Manager may deal in goods received in delivery against physical settlement of commodity derivatives.
"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: - (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 (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”	the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 or such other Regulations in force from time to time including any amendment thereto or any replacement or re-enactment thereof/clarification and guidelines in the form of notes or circulars etc., issued by SEBI or the Government of India or the Reserve Bank of India from time to time.
“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. Through its subsidiaries/JVs, ABCL provides 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 59,000 employees, the businesses of ABCL have a nationwide reach with over 1,482 branches and more than 200,000 agents/channel partners along with several bank partners. As of December 31, 2024, Aditya Birla Capital Limited manages aggregate assets under management of over Rs. 5.03 Lakh Crore with a consolidated lending book of over Rs 1.46 Lakh Crore through its subsidiaries/JVs.

The Aditya Birla Group

A US$66 billion global conglomerate, Aditya Birla Group is in the League of Fortune 500. Anchored by an extraordinary force of over 187,000 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, our 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, over 50% of the Group revenues flow from overseas operations that span over 40 countries in North and South America, Africa, Asia and Europe. The Aditya Birla Group's products and services offer distinctive customer solutions worldwide. A premium conglomerate, the Aditya Birla Group is a dominant player in all of the sectors in which it operates. These sectors include metals, pulp and fibre, chemicals, textiles, carbon black, telecom, branded apparel and cement. Aditya Birla Group is among India's top employers in manufacturing in the Forbes World's Best Employers 2022. Please refer www.adityabirla.com for more details.

Sun Life Financial Inc.

Sun Life is a leading international financial services organization providing asset management, wealth, insurance and health solutions to individual and institutional Clients. Sun Life has operations in a number of markets worldwide, 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 December 31, 2024, Sun Life had total assets under management ("AUM") of $1.54 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 and is the holding company of Sun Life Assurance Company of Canada.

b) Directors and their background:

Name	Age / Qualification	Brief Experience
Mr. A Balasubramanian	59 years / Advanced	Mr. A. Balasubramanian is the Managing Director & CEO of Aditya Birla Sun Life AMC Limited. A stalwart

Name	Age / Qualification	Brief Experience
(Managing Director & Chief Executive Officer)	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	of the mutual fund industry, he brings with him over three decades of rich experience. 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. 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 (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. 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. 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. Mr. Balasubramanian is involved with philanthropic work through various charitable organizations.
Mrs. Vishakha Mulye (Associate Director)	56 years / Chartered Accountant	**Vishakha Mulye** 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. Taking charge in 2022, Vishakha has been instrumental in scripting the transformational journey of Aditya Birla Capital. By leveraging data, digital and technology, she

Name	Age / Qualification	Brief Experience
		has reimagined its business model to drive accelerated growth momentum and improved profitability across businesses, thus further strengthening its leadership position in the market. A strong proponent of digital-first and customer-first value proposition, Vishakha has been bolstering the ABCL's digital capabilities and leveraging the group ecosystem to provide simplified financial solutions to customers in a frictionless manner. Under her mentorship, ABCL developed the omni-channel D2C platform and launched its user-friendly, intuitive mobile app - ABCD' to offer customers comprehensive financial products and services including Loans, Investments, Insurance, and Payments through a unified digital-first solution. ABCL launched its all-inclusive digital B2B lending platform 'Udyog Plus' to provide seamless lending and value-added services to the MSME ecosystem. In line with its strategic priorities, Vishakha and her leadership team have also led successful fundraising from marquee investors towards supporting the future growth prospects of ABCL's businesses. Vishakha is on the Board of ABCL's operating companies including, Aditya Birla Housing Finance Limited, Aditya Birla Sun Life AMC 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. Vishakha 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. Prior to joining Aditya Birla Group, Vishakha 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 and CEO at ICICI Venture Funds Management Company Limited and served as the Group CFO at ICICI Bank. Amongst her numerous achievements, Vishakha 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,

Name	Age / Qualification	Brief Experience
		Vishakha 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. A chartered accountant and a career banker with over 3 decades of track record in leading large-scale, long-term profitable businesses, Vishakha has been lauded with several prestigious honours for her valuable contribution to the world of business and finance.
Mr. Sandeep Asthana (Associate Director)	56 years / B. Tech (IIT, Mumbai) MBA (IIM, Lucknow)	**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 (India) Private Limited. Mr. Asthana is also a Non - Executive Director on the Board of Aditya Birla Sun Life Insurance Company Limited and Aditya Birla Sun Life Pension Fund Management Limited. He is a Director on the Board of Empyreal Galaxy Private Limited and the Indo-Canadian Business Chamber.
Ms. Anita Ramachandran (Independent Director)	69 years Bachelor's degree in commerce and a Master's degree in management studies from Jamnalal Bajaj Institute of Management	**Ms. Anita Ramachandran** 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. Anita 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, she 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. Ms. Anita 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. Anita 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

Name	Age / Qualification	Brief Experience
		organisation transformation assignments. She also works with several PE firms and start-ups to mentor them through their growth journey.
Mr. Navin Puri (Independent Director)	66 years Bachelor of Commerce, Chartered Accountant and MBA	Mr. Navin Puri is an 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. 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 Master's degree in Economics, Diploma in Business Management, L.L.B. and B.Com	**Mr. Sunder Rajan Raman** is an Independent Director of the Company. 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. His core expertise is in investment banking, finance, capital market and governance. Mr. Raman has served as the Chairman and Managing Director of Canara Bank and Executive Director of Union Bank of India. Currently, he is an Independent Director on the Board of Salzer Electronics Limited.
Mr. Ramesh Abhishek (Independent Director)	64 years Master's degree in Business Administration in Finance, Master's degree in Arts (International Politics) and Master's degree in Public Administration.	**Mr. Ramesh Abhishek** is an 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. 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. 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)	55 years B.A, Chartered Accountancy Studies degree from University of Waterloo; MBA from Richard Ivey School of Business; Fellow of the Chartered Professional Accountants (CPA) of Ontario; CFA from CFA Institute; and Advanced Management Program from Harvard Business School.	Mr. Manjit Singh is the President of Sun Life, Asia and formerly served as the EVP and Chief Financial Officer of Sun Life. In this role, he led the company's finance function, including Tax, Capital, Corporate Development, Investor Relations, and strategic finance initiatives. He has over 25 years of experience in finance, strategy, risk management, and treasury, and has held key positions in the financial services sector across Canada, the United States, and Europe. Prior to Sun Life, Mr. Manjit was Executive Vice-President, Finance at TD Bank, where he led Enterprise Finance including all Business Segment finance functions, Investor Relations, Tax, Chief Accountants and Enterprise Strategy.
Mr. Supratim Bandyopadhyay (Independent Director)	67 years/ B.Sc (Hons.), ACA	**Mr. Supratim Bandyopadhyay** is the 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 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.

Name	Age / Qualification	Brief Experience
		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 and Finlabs India Pvt Ltd. He is also a Director on the Board of MFC Technologies Private Limited.

c) Key Personnel:

Name	Brief Experience
Mr. Sameer Narayan (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. 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. 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 (Head Alternate Investments – Fixed Income)	Mr. Amit Kansal has over 21 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. 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 (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.

** Mr. Amit Jain appointed as the Compliance Officer w.e.f. October 1, 2024 in place of Ms. Urvi Jantre.*

(iii) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (as per latest audited financial statement- March 2024)

Sr. No.	Name of the Company*
1	Hindalco Industries Limited
2	UltraTech Cement Limited
3	Vodafone Idea Limited
4	Grasim Industries Limited
5	Aditya Birla Sun Life Insurance Company Limited
6	Aditya Birla Fashion & Retail Limited
7	Aditya Birla Finance Limited
8	Essel Mining & Industries Limited
9	Aditya Birla Retail Limited
10	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.

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 and Advisory platforms.

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

Penalties imposed by the SEBI or the directions issued by the SEBI under the SEBI Act or Rules or Regulations made thereunder:

a. No penalties/fines have been imposed by SEBI against Aditya Birla Sun Life AMC Limited 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;
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 twenty 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 and Advisory categories to its prospective clients.

I. Advisory Services

In terms of the SEBI (Portfolio Manager) 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 clients 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 liquid schemes and the Client hereby consents to the same. The returns thus earned will be returned to 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

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.

v. Investment Strategy:

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).

vi. **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.

vii. **Risk Factors & Disclaimers**

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:

A. ABSL CORE EQUITY PORTFOLIO*

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.

B. ABSL SELECT SECTOR PORTFOLIO*

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.

C. ABSL INDIA LARGE CAP QUANT EQUITY PORTFOLIO*

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.

D. 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.

E. 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.

F. 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.

G. 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.

<u>Risks associated with Investing in Foreign Securities:</u>
The Portfolio Manager does not intend to invest in Foreign Securities.

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

viii) Any other terms:
<u>Recommended Investment Horizon:</u>
At least 3 years

H. <u>ABSL INDIA SPECIAL OPPORTUNITIES PORTFOLIO*</u>

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.

I. 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.

<u>Risks associated with Investing in Foreign Securities:</u>
The Portfolio Manager does not intend to invest in Foreign Securities.

<u>Risk associated with Short Selling or Stock Lending:</u>
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.

J. <u>ABSL INNOVATION PORTFOLIO*</u>

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.

K. 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.

L. 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.

M. 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.

N. 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) **Risk Factors & Disclaimers**

- 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.

- **<u>Risk Factors associated with investments in Mutual Fund:</u>**
  - 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.

O. 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 securities shall be conducted by the Portfolio Manager once every year from the date of investment by seeking help of a valuation agency. The valuation agency may be chosen by the Portfolio Manager at its sole discretion. Additionally, the entire cost of the valuation exercise shall be borne by 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:

- **<u>Risk Factors associated with investments in Real Estate:</u>**
  - **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, 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.

- **<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.

S. <u>Portfolio Management Services to Provident Funds, Insurance Companies, Corporate Treasuries and 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: -
The 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 Fund 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.

  * The changes in the name of strategy(ies) will be effective from May 30, 2025.

OVERALL EQUITY INVESTMENT PROCESS (COMMON TO ALL PRODUCTS):

This begins with the investment philosophy. Portfolio Manager follows both top down and bottom-up, fundamental research 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 empanelled 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.

   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

   In order to ensure uniformity in respect of the investment universe, Portfolio Manager uses AMFI classification for large cap, mid cap and small cap companies across all equity portfolios.

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.

OVERALL PROCESS FOR INVESTMENTS IN DEBT SECURITIES (Common to all Products):

There are broadly three pillars of our investment process. First and foremost is the Investment committee that approves many of our credit investments. The investment committee comprises of CEO, Aditya Birla Capital Limited and Country Head – Sun Life Financial – India (alternate to Vice President Wealth Management Asia, Sun Life Financial) and CEO – Aditya Birla Sun Life AMC Limited.

The investment committee is responsible for; reviewing our portfolios periodically & tracking illiquid assets for corrective action; for approving proposals for investments in unrated instruments; reviewing issuers with regard to credit risk and monitoring their credit ratings; approving requests of new and increased limits & limit.

Second is in-house bottom-up credit evaluation methodology. Portfolio manager evaluates the default risk by evaluating a number of metrics regarding business risk (Sector or industry, Market position, Operating efficiency), Financial risk (Current and Past financials, Expected profitability, Accounting quality etc) and Management quality (Integrity, Competence etc). This credit risk assessment system along with focus on cash flow, credit structuring and multi-layered credit approval process allows portfolio manager to consistently deliver superior risk adjusted returns for our clients. Simultaneously, portfolio manager forecasts the key sectoral trends in Indian Economy and its likely impact on the underlying credits in our portfolio.

The third leg of our investment process is macro-economic analysis which drives most interest rate or duration decisions. Portfolio manager tracks all major macro-economic parameters on a continued basis. portfolio manager evaluates this data obtained through multiple sources such as Bloomberg, Government websites, CMIE etc. Portfolio manager has built detailed models to predict the growth, inflation, external balances and Government finances – the multiple factors that drive the outlook for interest rates in our economy.

As a result of the above mentioned three pillared approach, portfolio manager endeavors to generate superior risk-adjusted returns for our clients.

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 under:

- **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. 50 lakhs.

b) Deployment procedure:

i) 5% / 10% of the portfolio value will be deployed on every Tuesday of the week as per option selected by Client.

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

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 Lakhs 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.

INVESTMENTS IN ASSOCIATES/ GROUP COMPANIES OF THE PORTFOLIO MANAGER AND THE MAXIMUM PERCENTAGE OF SUCH INVESTMENTS THEREIN SUBJECT TO THE APPLICABLE LAWS / REGULATIONS/ GUIDELINES

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.

DIRECT ON-BOARDING OF CLIENTS

Clients can invest directly with ABSLAMC – Portfolio Manager 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

Produced below are the standard 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 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.
- 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.

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.

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.
- **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). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market. 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. 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 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.
- **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.
- **Liquidity or Marketability Risk**: Reinvestment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- 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.

<u>Risk Factors associated with investments in Real Estate:</u>

- 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 specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.
- 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 persuaded 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 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. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- 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. 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.
- 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 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.

Risk Factors associated with investments in Gold/Gold ETFs:

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 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) (I) CLIENT REPRESENTATION FOR ALL PRODUCTS:

Category of clients		No. of clients				Funds managed (Rs. Crs)				Discretionary/ Advisory/ Non Discretionary
		As on 31/03/25	As on 31/03/24	As on 31/03/23	As on 31/03/22	As on 31/03/25	As on 31/03/24	As on 31/03/23	As on 31/03/22	
1	Associates / Group Companies	0	1	1	1	-	25.05	52.19	105.66	Advisory
2	Others	2733**	2031	2,195	2,397	26,831.28	1,880.00	1,405.06	1,475.43	Discretionary
		0	0	0	0	-	-	-	-	Advisory
		0	0	0	0	-	-	-	-	Non Discretionary
Total		**2,733**	**2032**	**2,196**	**2,398**	**26,831.28**	**1,905.05**	**1457.25**	**1,581.09**	

**Discretionary count is Client wise as on 31/03/25- 2,733.
** Discretionary Owner-wise Unique Client count is 2186 (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	-	-	-
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	-

Particulars	Referred to						
	A	B	C	D	E	F	G
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.

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

(Rs. in crores)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023
Management & Advisory Fee	1560.96	1,263.60	1,160.63
Income from Portfolio Management and Other Services	98.13	66.58	44.60
Other Income	299.49	285.94	126.35
Total Income including Other Income	1,958.58	1,616.12	1,331.59
Total Expenses	719.92	614.10	543.17
Income Tax Expense	313.94	227.79	197.48
Net Income after Tax	924.72	774.23	590.93
Equity Capital	144.24	144.05	144.00
Reserves & Surplus(Other Equity)	**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 March 31, 2025 is Rs.3,608.03 crores.

9) 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	2024-2025	2023-2024	2022-2023	2021 - 2022
1.	ABSL Core Equity Portfolio*	-1.39%	33.80%	-3.02%	28.90%
	Benchmark: Nifty 50 TRI	5.35%	30.08%	0.59%	20.26%
2.	ABSL Select Sector Portfolio*	19.73%	47.31%	7.23%	23.30%
	Benchmark: BSE 500 TRI	5.96%	40.16%	-0.91%	22.26%
3.	ABSL Top 200 Core Equity Portfolio*	5.18%	35.28%	0.86%	23.52%
	Benchmark: Nifty 50 TRI	6.65%	30.08%	0.59%	20.26%
4.	ABSL India Special Opportunities Portfolio*	6.72%	40.74%	6.09%	19.53%
	Benchmark: BSE 500 TRI	5.96%	40.16%	-0.91%	22.26%
5.	ABSL Innovation Portfolio*	8.53%	43.53%	5.52%	18.88%
	Benchmark: BSE 500 TRI	5.96%	40.16%	-0.91%	22.26%
6.	ABSL Next 100 Portfolio*	11.97%	32.44%	-5.11%	19.76%
	Benchmark: Nifty 50 TRI	6.65%	30.08%	0.59%	20.26%
7.	ABSL India 200 Quant Equity Portfolio*	8.12%	47.96%	0.04%	16.68%
	Benchmark: BSE 500 TRI	5.96%	40.16%	-0.91%	22.26%
8.	ABSL India Large Cap Quant Equity Portfolio*	0.98%	31.31%	-1.48%	11.67%
	Benchmark: Nifty 50 TRI	6.65%	30.08%	0.59%	20.26%
9.	ABSL Adapt Portfolio - Very Aggressive*	10.03%	36.49%	2.16%	15.34%
	Benchmark: Nifty 50 TRI	6.65%	30.08%	0.59%	20.26%
10.	ABSL Adapt Portfolio – Moderate*	7.49%	13.84%	1.95%	7.38%
	Benchmark: Crisil Composite Bond Index	8.79%	8.26%	3.80%	4.48%
11.	ABSL Adapt Portfolio-	6.91%	9.20%	3.68%	5.15%

Sr. No.	Investment Approach	2024-2025	2023-2024	2022-2023	2021 - 2022
	Very Conservative*				
	Benchmark: Crisil Composite Bond Index	8.79%	8.26%	3.80%	4.48%
12.	ABSL Liquid Portfolio*	5.56%	0.20%	5.48%	3.39%
	Benchmark: Crisil Composite Bond Index	8.79%	8.26%	3.80%	4.48%
13.	ABSL India Equity Services Portfolio*	-2.33%	-	-	-
	Benchmark: BSE 500 TRI	5.96%	40.16%	-0.91%	22.26%
14.	ABSL Customised Real Estate Portfolio	12.12%	-	-	-
	Crisil Composite Bond Index	8.79%	8.26%	-	-

* The changes in the name of strategy(ies) will be effective from May 30, 2025.

Note:

1. There are no investors in ABSL Asset Linked Portfolio, ABSL Customized Debt Portfolio and ABSL Customized Equity. Also, there are no investors in ABSL Customised Real Estate Portfolio under NDPMS. 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.

10) AUDIT OBSERVATIONS

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

11) NATURE OF EXPENSES

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

a. ABSL Customised Real Estate Portfolio (NDPMS)

Management fee	Regular Investor / Client – Up to 2.0% p.a* on the Investment amount (exclusive of tax) and payable quarterly. 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. 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 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. 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 in this Appendix
*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 the 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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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

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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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

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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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

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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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***^**-** Very Conservative: Upto 0.75% Conservative: Upto 1.00% Moderate: Upto 1.50% Aggressive: Upto 2.00% Very Aggressive: Upto 2.50%	**Fixed Fees***- Very Conservative: Upto 0.50% Conservative: Upto 0.75% Moderate: Upto 1.00% Aggressive: Upto 1.25% Very Aggressive: Upto 1.50%
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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	Upto 2.50% p.a. *^	Upto 1.50% p.a.

Management Fee		
Option 2 - Fixed + Variable Fee	1. Fixed Management Fee: Upto 1.50% p.a.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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. ABSL Next 100 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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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

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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a

Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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	Upto 1.00% p.a. *^	Upto 0.50% p.a. *

Fee		
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.*^ 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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. 2. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil 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 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a	1. Fixed Management Fee: Nil 2. Variable Management Fee (charged on High Water Mark basis): o Upto 15% of return in excess of 0% p.a
Custody Fee	For resident clients: Upto 8 bps p.a. on average AUM For NRI clients: 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. <u>ABSL Customised Real Estate Portfolio</u>

Management fee	Regular Client – Upto 2.0% p.a* on the Investment amount (exclusive of tax). Direct Client- Upto 1.75% p.a.* on the Investment amount (exclusive of tax).
Operating Expenses	1. The brokerage cost shall be charged to the investor as per the actual cost incurred. 2. Custodian and other incidental charges of 0.5% or actual cost incurred (whichever is lower) will be charged to the investor.
Performance Fee:	The performance fee may be charged by the Portfolio Manager on an individual deal basis. On each deal, post INR 11 % IRR (pre-tax) distribution shall be 85:15 (The Investor's share will be 85 % and remaining share will be of the Portfolio Manager). 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. 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. 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. 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. 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 Expense

p. <u>Portfolio Management Services to Provident Funds, Insurance Companies, Corporate Treasuries and Special Mandates</u>

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. 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	Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client. 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. 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. 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. 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.

#The change in names of strategy(ies) will be effective from May 30, 2025.

12) 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 tax information provided below is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned below, 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. It shall be the Client's responsibility to meet the obligation on account of advance tax instalments payable on the due dates under the Act. Tax is required to be deducted at source for non-residents by the authorised dealer. If required, tax will be withheld for non-residents. 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.

B. Securities Transaction Tax

As per the provisions of Finance No. (2) Act, 2004, w.e.f. October 01, 2004, investors would have to pay Securities Transaction Tax ('STT") as applicable on transactions of such purchase or sale of equity shares in a company or a derivative or units of Equity Oriented Fund or unit of a business trust entered into on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund. STT is also payable on Sale of an unlisted equity shares under an offer for sale. The STT rates as applicable till date, are given in the following table:

Taxable securities transaction	Rate (%)
Purchase of an equity share in a company or a unit of a business trust, where - – the transaction of such purchase is entered into in a recognized stock exchange; and – the contract for the purchase of such share is settled by the actual delivery or transfer of such share	0.1%
Purchase of a unit of an equity oriented fund	NIL
Sale of an equity share in a company or a unit of a business trust, where – the transaction of such sale is entered into in a recognized stock exchange; and – the contract for the sale of such share is settled by the actual delivery or transfer of such share	0.1%
Sale of a unit of an equity oriented fund, where – – the transaction of such sale is entered into in a recognized stock exchange; and – the contract for the sale of such unit is settled by the actual delivery or transfer of such unit	0.001%
Sale of an equity share in a company or a unit of an equity oriented fund or a unit of a business trust (non-delivery based)	0.025%
Sale of an option in securities	0.1%
Sale of an option in securities, where option is exercised	0.125%
Sale of a futures in securities	0.02%
Sale of unit of an equity oriented fund to the Mutual Fund	0.001%
Sale of unlisted equity securities under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange	0.2%

C. Tax Implications to Investors

The intent of the client at the time of the agreement in terms of the portfolio management style could determine the character of the investment portfolio. For example, depending on the business profile of the client, the portfolio gain could be treated as `business gain' rather than `capital gains' and tax treatment in such cases would be different than that applicable in taxation of normal capital gains.

D. Tax Implications where Transaction in Securities is in the nature of Investments

The listed equity portfolio gains in an account will be in the nature of capital gains, either short-term or long-term depending upon the holding period.

E. Short Term Capital Gains:

In respect of securities (other than a unit) listed in a recognised stock exchange (including bonds, debentures and units of business trust) or shares held in a listed company, units of equity oriented Mutual Fund, Units of Unit Trust of India or, Zero coupon bonds and any other listed securities (other than units) held for a period less than or equal to 12 months, such gain is treated as short term capital gain. Securities other than mentioned above held for a period of less than or equal to 24 months are treated as short term capital gain.

Equity Shares in a Company, units of an equity oriented fund and units of a business trust which are chargeable to Securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004 pursuant section 111A of the Income-tax Act, 1961 and

(i) sold or redeemed between April 01, 2024 to July 22, 2024 would be subject to tax @ 15% (plus applicable surcharge and education cess) and
(ii) sold or redeemed on or after July 23, 2024 would be subject to tax @ 20% (plus applicable surcharge and education cess)

The Finance Act, 2016 provides that with effect from April 1, 2017, the condition with respect to payment of STT would not apply to a transaction undertaken on a recognised stock exchange located in any International Financial Services Centre and where the consideration is paid / payable in foreign currency.

Short term capital gain on securities other than above would be added to the total income. Total income including such short-term capital gains is chargeable to tax as per the relevant slab rates.

Pursuant to Finance Act 2023, capital gains on sale of Specified Mutual Fund as per section 50AA of the Income-tax Act, 1961 (Mutual Funds with less than or equal to 35% exposure to equity shares of domestic company) shall be considered as short-term capital gains irrespective of the holding period. Any capital gains earned on investments undertaken in such Mutual Fund on or after 1 April 2023, shall be considered as short-term capital gains and added to the investor's income and taxed at the applicable income tax slab rates (plus any applicable surcharge and cess), regardless of the investment holding period.

Further, Finance Act 2024, with effect from 01.04.2025 has amended the meaning of Specified Mutual Fund u/s 50AA of the Income-tax Act, 1961. Specified mutual fund means a mutual fund which invest more than 65% of its proceeds in debt and money market instrument or a fund who invest more than 65% of its process in specified mutual fund as defined earlier. Any capital gains earned on such special mutual fund investments acquired on or after1st April 2023 and transferred on or after 1 April 2025, shall be considered as short-term capital gains and added to the investor's income and taxed at the applicable income tax slab rates (plus any applicable surcharge and cess), regardless of the investment holding period.
Gains on investments in such Specified Mutual Funds made on or before March 31, 2023 shall continue to be taxed as Long-term capital gains as described below:

(i) if held for more than 36 months, at a rate of 20% (plus applicable surcharge and cess) after taking into account the indexation benefit if redeemed between April 01, 2024 to July 22, 2024 and
(ii) if held for more than 24 months, at a rate of 12.5% (plus applicable surcharge and cess) without indexation benefit if redeemed on or after July 23, 2024.

In case of buyback of shares, the sum paid by a domestic company for purchase of its own shares will be treated as dividend in the hands of shareholders, who received payment from such buy-back of shares and shall be charged to income-tax at applicable rates. No deduction for expenses will be available against such dividend income while determining the income from other sources. The cost of acquisition of the shares which have been bought back would generate a capital loss in the hands of the shareholder as these assets have been extinguished. Such capital loss can be adjusted against any other capital gains or carried forward to subsequent years for set off.

F. Long Term Capital Gain:

The Finance Act, 2018 has terminated the exemption granted under section 10(38) of the Act to long term capital gain arising on transfer of units of equity oriented mutual funds or units of business trusts by introduction of section 112A in the Act.
The long-term capital gains in respect of securities (other than a unit) listed in a recognised stock exchange (including bonds, debentures and units of business trust) or shares held in a listed company or units of equity oriented mutual fund will be chargeable to tax at following tax rates without indexation and without foreign currency fluctuation benefit on such capital gains exceeding one lakh twenty five thousand rupees:

(i) sold or redeemed between April 01, 2024 to July 22, 2024 would be subject to tax @ 10% (plus applicable surcharge and education cess) and
(ii) sold or redeemed on or after July 23, 2024 would be subject to tax @ 12.50% (plus applicable surcharge and education cess)

The above concessional tax rate shall be available only if STT has been paid in case of listed equity share on both acquisition and transfer and in case of units of equity oriented mutual funds on transfer.
The Finance Act, 2018 has also amended section 55 of the Act to provide for a grandfathering provision upto January 31, 2018. As per the said amendment, cost of acquisition of the aforementioned long term capital asset acquired by the assesse before February 1, 2018 would be higher of the following:

a. actual cost of acquisition of the asset; and

b. lower of:

i. fair market value of such asset; and

ii. full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, the fair market value shall be the highest price of the capital asset quoted on the recognised stock exchange as on January 31, 2018, in a case where the capital asset is listed on any recognised stock exchange. If there is no trading in such asset on such exchange on the January 31, 2018, the highest price of such asset on such exchange on a date immediately preceding the January 31, 2018 when such asset was traded on such exchange shall be the fair market value. In a case where the capital asset is a unit which is not listed on a recognised stock exchange as on the January 31, 2018, the net asset value of such unit as on the said date.

Gains on investments in Specified Mutual Funds made on or before March 31, 2023 shall continue to be taxed as Long-term capital gains as described above in Short Term Capital Gain section. Capital gains would be computed after taking into account the 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.

Long-term Capital Gains in respect of units of Mutual Fund (other than equity oriented mutual fund and specified mutual funds) will be chargeable to tax under section 112 of the Act at the following tax rate:
(i) if held for more than 36 months, at a rate of 20% (plus applicable surcharge and cess) after taking into account the indexation benefit if redeemed between April 01, 2024 to July 22, 2024 and
(ii) if held for more than 24 months, at a rate of 12.5% (plus applicable surcharge and cess) without indexation benefit if redeemed on or after July 23, 2024.

Capital gains would be computed after taking into account the 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. However, indexation benefit has been removed with effect from July 23, 2024 for all types of securities/mutual funds.

As per Finance Act 2024, with effect from July 23, 2024, the holding period for gold will reduce from 36 months to 24 months. For unlisted shares and immovable property it shall remain at 24 months. Unlisted debentures and unlisted bonds are debt instruments and therefore any capital gains on them will be taxed at applicable rate, irrespective whether holding period is short-term or long-term.

Under Section 112 of the Act, tax on Long term Capital gains for Non-Resident (not being a company) or a foreign company, the amount of income tax calculated on long term capital gains arising from the transfer of a capital asset, being unlisted securities or being shares of a company not being a company in which public are substantially interested,, calculated at the following tax rate on the capital gains in respect of such assets as computed without giving effect to first & second proviso to section 48 of the Income-tax Act would be leviable:

(i) sold or redeemed between April 01, 2024 to July 22, 2024 would be subject to tax @ 10% (plus applicable surcharge and education cess) and
(ii) sold or redeemed on or after July 23, 2024 would be subject to tax @ 12.50% (plus applicable surcharge and education cess)

Under section 115E of the Act, income of a non-resident Indian by way of any income from investment or long-term capital gains of an asset other than specified asset is chargeable to tax at the rate of 20% plus applicable surcharge and cess.

Under section 115E of the Act, income of a non-resident Indian by way of long term capital gains in respect of specified assets purchased in foreign currency as defined under section 115C (which includes shares of an Indian company, debentures issued by/deposits with an Indian company not being a private company, and security issued by Central Government) is chargeable to tax at the following tax rate:

(i) sold between April 01, 2024 to July 22, 2024 would be subject to tax @ 10% (plus applicable surcharge and education cess) and
(ii) sold on or after July 23, 2024 would be subject to tax @ 12.50% (plus applicable surcharge and education cess)

Such long-term capital gains would be calculated without indexation of cost of acquisition.

Finance Act, 2020, had withdrawn tax on distributed income under section 115O and 115R w.e.f. FY 2020-21. Accordingly, any income distributed by the Mutual Fund on or after April 1, 2020 will not be subject to distribution tax by the Mutual Fund. The dividend income will be chargeable to tax in the hands of investors basis tax rates applicable to investors.

Also, In case of resident unit holders, rate of TDS is 10% u/s. 194K on dividend received by the investor. However, no deduction is required if the amount payable to the unit holder does not exceed Rs. 5,000/- [Footnote 1] during a financial year.

In case of a non-resident unit holder, rate of TDS is proposed to be 20% (plus applicable surcharge and cess) u/s. 196A on dividend received by the investor.

As per Section 94(7) of the Act, if

- the securities or units purchased within three months prior to the record date; and
- such securities are sold within three months after such date; or
- such units are sold within nine months after such date; and
- Dividend/Income received on such securities or units received or receivable is exempt from tax then the capital loss arising on account of purchase and sale of such securities to the extents of dividend/income received/receivable would not be available for set off against capital gains. Tax treatment in case of purchase or sale of units of Mutual Fund u/s. 94(8) of the act is on similar lines. In case of units of mutual funds
- Purchased by any person within three months prior to the record date;
- Such person is allotted additional units without any payment (on the basis of holding of such units on such date);
- and such person sells all or any of the units within nine months after the record date while continuing to hold all or any of the additional units; then the loss arising on transfer of such purchased units shall be ignored for the purpose of computing the income chargeable to tax, unlike Section 94(7) wherein the loss ignored is to the extent of the dividend/income received/receivable. However, the loss so ignored shall be treated as cost of acquisition of such additional units allotted.

- Footnote 1: Threshold is proposed to be increased to Rs. 10,000 w.e.f. 01.04.2025.

G. Profits and Gains of Business or Profession

If the investment under the Portfolio Management Services is regarded as "Business / Trading Asset" then the gain/ loss arising there from is likely to be taxed as Profits or gains from business or profession.

Dividends will likely be taxable as Income from Other Sources basis rates applicable to the assessee. Income by way of interest on securities would be chargeable to tax under Profits or gains from business or profession.

H. Losses under the Head Business Income:

In the case of loss under the head "Profits and Gains of Business of Profession', it can be set off against the income from any other source under the same head or income under any other head (except income from Salary) in the same assessment year.

Further, if such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business, within the period of eight subsequent assessment years.

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.

13) ACCOUNTING POLICIES

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

- All investments are marked to market for portfolio reporting. However, in client financials, investments are valued at cost.
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.
- Transactions for purchase or sale of investments would 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 individual client account for that year.
- The cost of investments acquired or purchased would include brokerage, stamp charges, and any other charge except STT which is being expensed out, customarily included in the broker's contract note.
- For equity shares, corporate actions are accounted on respective Ex dates. For debt securities interest is accrued on daily basis.

14) 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, 17th 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. http://scores.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 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.

15) Details of diversification policy for 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.

16) 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.

Place: Mumbai
Dated: May 7, 2025

For and on behalf of Aditya Birla Sun Life AMC Limited

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

Disclosure as per SEBI Circular dated August 26, 2022:

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

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