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 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 services in manner to assist and enable the investors in making informed decision for engaging Aditya Birla Sun Life AMC Limited (as a **"Portfolio Manager"**).

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 designated by the Portfolio Manager along with the address of the Portfolio Manager are as follows:

PRINCIPAL OFFICER
Mr. A Balasubramanian
Managing Director & Chief Executive Officer of ABSLAMC
Phone: 022- 43568000
E-mail: A.Balasubramanian@adityabirlacapital.com

PORTFOLIO MANAGER
Aditya Birla Sun Life AMC Limited (ABSLAMC)
Regd. Off: One World Center, Tower-1, 17th floor, Jupiter Mill Compound, 841, S.B. Marg, Prabhadevi, Mumbai - 400 013

I. LIST OF ADDENDUM TO DISCLOSURE DOCUMENT

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

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

CONTENTS

1) DISCLAIMER CLAUSE

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 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/Asset Management Company"	ABSLAMC, incorporated under the provisions of the Companies Act, 1956.
"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 / Investor"	Any body corporate, partnership firm, individual, HUF, 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 issued by the Portfolio Manager – Aditya Birla Sun Life AMC Limited
"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, 2014 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 1st of April and ending on the 31st 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.
"Money Market Instruments"	Includes Commercial Paper, Trade Bill, Treasury Bills, Certificate of Deposit and Usance Bills
"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"	A body corporate, 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.
"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.

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.

Further, ABSLAMC acts as investment advisor manager to two offshore funds, namely, India Advantage (Offshore) Fund and India Excel (Offshore) Fund. ABSLAMC is also appointed as Investment Manager to the Venture Capital Fund – 'Aditya Birla Real Estate Fund' registered with SEBI under SEBI (Venture Capital Funds) Regulations, 1996.

ABSLAMC is also providing investment management services to Alternative Investment Funds registered under SEBI (Alternative Investment Funds) Regulations, 2012.

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

a) Promoters:

__The Aditya Birla Group__

An industrial conglomerate with a market capitalisation of US $48.3 billion and is in the League of Fortune 500, the Aditya Birla Group is anchored by an extraordinary force of 1,20,000 employees, belonging to over 42 nationalities. Over 50 per cent of its revenues flow from its overseas operations spanning 36 countries in North and South America, Africa and Asia. 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 includes metals, pulp and fibre, chemicals, textiles, carbon black, telecom and cement. Aditya Birla Group – Indonesia (Fibre and Spinning Business) is named one of the 'Best Employers in Indonesia, 2015' in the 8th edition of Aon Hewitt's Best Employers study in Asia.

The Group topped the Nielsen's Corporate Image Monitor 2014-15 and emerged as the 'No.1 Corporate', the 'Best in Class', for the third consecutive year., 'Top Companies For Leaders' is the most comprehensive study of organisational leadership in the world conducted by Aon Hewitt, Fortune Magazine and RBL (a strategic HR and Leadership Advisory firm). Nielsen's Corporate Image Monitor measures the reputation of the 40 leading companies in India across sectors and serves as an important indicator of the strength of the corporate brand. With over 1700 respondents, consisting of stakeholders such as policy makers, influence groups, the financial community, investors, corporate peers, corporate elite, and the general consumer. Aditya Birla Group is named as the AON best employer in India for 2018 - the third time over the last 7 years. Please refer www.adityabirla.com for more details.

__Sun Life Financial Inc.__

Sun Life Financial is a leading international financial services organization providing a diverse range of wealth accumulation and protection products and services to individuals and corporate customers. Chartered in 1865, Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, United States, United Kingdom, Ireland, Hong Kong, Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda. As of December 31, 2019 the Sun Life Financial Inc. had total assets under management to the tune of $ 1,099 billion. Please refer www.sunlife.com for more details.

b) Directors and their background:

Name	**Age / Qualification**	**Brief Experience**
Mr. Kumar Mangalam Birla (Chairman & Associate Director)	52 years / C.A., M.B.A. (London Business School)	Mr. Kumar Mangalam Birla is the Chairman of the Aditya Birla Group. He chairs the Boards of all major Group companies in India and globally - Novelis, Columbian Chemicals, Aditya Birla Minerals, Aditya Birla Chemicals, Thai Carbon Black, Alexandria Carbon Black, Domsjö Fabriker and Terrace Bay Pulp Mill and he Chairs the Boards of Hindalco Industries Limited, Grasim Industries Limited, Vodafone Idea Limited and Aditya Birla Capital Limited. Mr. Birla was Director on the Central Board of Directors of the Reserve Bank of India. Additionally, he was the Chairman of the Advisory Committee constituted by the Ministry of Company Affairs and also served on the Prime Minister of India's Advisory Council on Trade and Industry and Chaired the Securities and Exchange Board of India (SEBI) Committee on Corporate Governance, He was authored the First Report on Corporate Governance titled ''Report of the Kumar Mangalam Birla Committee on Corporate Governance''. Mr. Birla also served as Chairman of SEBI's committee on Insider Trading, which formulated Corporate Governance principles for Indian corporates.
Mr. A Balasubramanian (Managing Director & Chief Executive Officer)	53 years / B.Sc (Mathematics), Diploma in Financial Management, AMP from IIM, Bangalore, MBA from GlobalNxt University, Malaysia, Advanced Management Programme from Harvard University.	He is the MD & CEO for Aditya Birla Sun Life AMC Limited and has been with the organization since 1994. He also oversees Alternate Investment Funds, Real Estate, PMS and global mandates through its subsidiary company in Singapore and Dubai. Previously worked with GIC Mutual Fund. He has an overall experience of over 28 years in the Mutual Fund Industry. Currently, he is on the Board of Governors of SEBI established National Institute of Securities Markets (NISM). He also plays an active role in AMFI as a Board of Director. He has also held the position of Chairman of AMFI for 2 years from 2016-2018.
Mr. Ajay Srinivasan (Associate Director)	53 years / B.A. Economics (Hons.), PGDM, IIM – Ahmedabad	He is currently the Chief Executive, Aditya Birla Capital Ltd. He has worked as Chief Executive, Fund Management, Asia for Prudential Corporation Asia for 7 years. Earlier he was Managing Director of ICICI Prudential Asset Management Co. ltd. He has also

Name	Age / Qualification	Brief Experience
		worked with ITC Thread needle AMC Ltd as Deputy Chief Executive handling day to day activities. He was the Nominee Director of ICICI Prudential Asset Management Company Limited from 1998 to 2007.
Mr. Colm Joseph Freyne (Associate Director)	61 years / Chartered Accountant in Ireland and Canada, B Comm (Honours) University College, Dublin.	Mr. Freyne has over 35 years of experience in the areas of risk management, corporate finance, taxation, capital and investor relations. He joined Sun Life in 2003 and currently is the Executive Vice President and Chief Risk Officer of Sun Life Financial Inc.
Mr. Bobby Parikh (Independent Director)	53 years / B.Com, C.A.	Mr. Bobby Parikh is the co-founder of BMR Advisors, a professional services firm offering a range of Tax, Risk and M&A advisory for businesses at the national and international levels. Mr. Parikh leads the Financial Services practice of BMR Advisors. He has extensively advised, over the past 30 years, numerous financial services sector players and is credited with developing and implementing the first offshore fund structure to invest in India from Mauritius. Prior to founding BMR Advisors, Mr. Parikh was the Managing Partner of Arthur Andersen and the Chief Executive Officer of Ernst & Young, and led the Financial Services practices at both organizations.
Mr. Sandeep Asthana (Associate Director)	51 years / B. Tech (IIT, Mumbai) MBA (IIM, Lucknow)	He is the Country Head – India, at Sun Life Financial Inc. Prior to this, he led RGA Re's India business, helped build entry plans for life insurance and non-life insurance of Zurich Financial Services, and led the research and planning efforts of the Unit Trust of India.
Mr. Bharat Patel (Independent Director)	72 years / B.A., M.A., MBA.	He is the former Chairman of Procter & Gamble Hygiene and Health Care Ltd., and presently member of the Executive Committees of the Indian Society of Advertisers (ISA), World Federation of Advertisers (WFA), Advertising Standards Council of India (ASCI) and Broadcast Audience Research Council (BARC). He has over 45 years of varied experience in the field of marketing, advertising, sales,exports,manufacturing, General Management etc. He is a graduate from the University of Baroda and holds MA in Economics from the University of Notre Dame, USA and MBA in Marketing from the University of Michigan, USA. Apart from being associated with Industry Associations, he is on the Board of various companies also.

Name	Age / Qualification	Brief Experience
Ms. Alka Marezban Bharucha (Independent Director)	62 years / B.A.(Hons.), University of Bombay LL.B, University of Bombay LL.M, University of London Solicitor, High Court, Mumbai Solicitor, Supreme Court of England and Wales	Ms. Alka Marezban Bharucha chairs the transactions practice at Bharucha & Partners, which is a full service law firm established in 2008. Her core areas of expertise are mergers and acquisitions, joint ventures, private equity, banking and finance. Her general corporate work includes the establishment of mutual funds and providing regulatory advice to foreign institutional investors, foreign venture capital investors, merchant bankers and other financial intermediaries. She has particular experience acting for financial services clients as well as those in the telecommunications, power and logistics sector and is also actively engaged in representing trans-national corporations for investments in retail, defence and manufacturing space. She is an Advocate on Record of Supreme Court of India.
Mr. Harish Engineer (Independent Director)	70 years / Diploma in Business Management from Hazarimal Somani College, Mumbai (India), Bachelor of Science, Mumbai University (India)	Mr. Harish Engineer has worked extensively for over 40 years in the Banking sector from 1968 till his retirement in 2013. He was employed with HDFC Bank Limited and Bank of America. During his stint at HDFC Bank Limited, he headed Wholesale Banking for All India Business for Financial Institution, Corporate Banking groups and capital markets group, etc. During his stint with Bank of America, he worked in India and various offshore locations in operations and corporate credit management. He also represented International Finance Corporation (IFC), Washington as nominee Director on the Board of Bhutan National Bank.
Mr. Sushobhan Sarker (Independent Director)	65 years B.Sc. (Honours in Physics), Diploma in Management Studies, Master of Financial Management from Jamnalal Bajaj Institute of Management Studies (University of Mumbai)	Mr. Sushobhan Sarker had a distinguished career spanning over 36 years with Life Insurance Corporation of India (LIC) from where he superannuated as Managing Director on May 31, 2014. As Managing Director, Mr. Sarker was responsible for major departments including Investment, International Operations, Personnel and HRD, Marketing, Corporate Communications, CRM etc. Prior to appointment as Managing Director, he had held several key positions as Executive Director, heading LIC's Investment Department, International Operations Department and as Director and CEO of LIC Mutual Fund Asset Management Limited Mr. Sarker had also served as a Nominee Director of LIC on the Boards of several companies.

Name	Age / Qualification	Brief Experience
Mr. Navin Puri (Independent Director)	61 years Bachelor of Commerce, Chartered Accountant and MBA	Mr. Navin Puri brings with him over three decades of expertise in the Banking and Financial services spanning HDFC BANK and ANZ Grindlays Bank. As Country Head – Branch Banking with HDFC Bank, he has built the largest, most profitable and admired financial distribution network, spanning across the whole of India including rural geography. He has in - depth knowledge and understanding of the Indian Financial Retail Market and has been a catalyst in driving digitalization and improving customer experience. Mr. Puri brings in considerable expertise in managing regulatory / legal compliance and has successfully executed four mergers. He was also involved in the CSR initiatives across India during his earlier stint.

c) Key Personnel:

Name	Brief Experience
Mr. Bhavdeep Bhatt (Head – Portfolio Management Services)	He has overall experience of 22 years and has been associated with ABSLAMC since 2008. Prior to joining ABSLAMC, he was working with ICICI Prudential Asset Management Company Ltd as Head – New Product Development and Communications and and with Kotak Mahindra Mutual Fund as Vice President - Marketing. During his 18 years of mutual fund industry experience, he has performed various roles in Products, Communications, Portfolio Management Services, Business Development and Retail Sales.
Ms. Urvi Sanghvi (Compliance Officer)	She has an experience of over 5 years in Mutual Fund Industry. Prior to joining ABSLAMC, she has worked in the Compliance function of Invesco Asset Management (India) Private Limited.
Mr. Vishal Gajwani (Head- Alternate Investments - Equity)	He has an overall experience of more than 12 years in Financial Markets. Prior to this assignment he was the part of Reliance Portfolio Management Services (a part of Reliance Capital Asset Management Ltd), where he was designated as an Assistant Fund Manager and was responsible for managing portfolios. He is a Gold Medalist Chartered Accountant (ICAI, India) and holds a Masters degree in Commerce from M. S. University of Baroda. Mr. Vishal Gajwani has also completed CFA from the CFA Institute (The Global Association of Investment Professionals), USA.
Mr. Utsav Shah (Head – Alternate Investments - Debt)	He has experience of over 10 years in Investment Management Industry. Prior to joining ABSLAMC, he has worked with Morgan Stanley Investment Management.
Ms. Natasha Lulla (Fund Manager)	She has over 11 years of experience. Prior to joining Aditya Birla Sun Life AMC Limited - Portfolio Manager, she was associated with Goldman Sachs as Investment Analyst. She has done M.B.A. from MDI, Gurgaon.
Mr. Dhrushil Jhaveri (Assistant Portfolio Manager)	He has an experience of over 8 years in Financial Services sector. Prior to joining ABSLAMC, he has worked with Tata Asset Management Limited and Prabhudas Lilladher.

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

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.

ABSLAMC 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;

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 upto 25% of the Assets Under Management (AUM) in unlisted companies. The underlying holdings will be selected in accordance with research capabilities of ABSLAMC and the investor's discretion & guidelines.

ii) Benchmark: N.A.

iii) Minimum Account Size:
Rs. 1 Crore or such other amount as decided by the Portfolio Manager at its sole discretion, subject however in excess of the amount to comply with applicable SEBI Regulations.

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 portfolio

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

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. 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. 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. 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 500

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

v) **Investment Strategy:**
Core Equity Portfolio has two characteristics:
(1) It follows value philosophy
(2) Is unconstrained by any market segments like market capitalization (large cap – mid cap), sectors, themes etc.

While value investing philosophy has produced effective returns across geographies and markets, the nomenclature 'Value Investing' in the Indian context is often interpreted in a very narrow sense. Such interpretation leaves this portfolio categorized under niche (often thematic) category and therefore remains under-advised and under-sold.

'Core Equity Portfolio' reflects three messages:

(1) this philosophy is core to our way of investing,
(2) it is our flagship equity portfolio;
(3) given the soundness and widespread performance of Value Investing philosophy, this investment portfolio deserves to be at the core of any long term investor's equity allocation.

The investment strategy involves the following:

- Invest in quality businesses that are core to Indian Growth Story and create the most value
- Portfolio of companies in industries with favorable operating dynamics – using value investing approach
- 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

vi) Risk Factors:

- The portfolio proposes to invest in equity and equity related securities.
- 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.
- 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)Any other terms:

The recommended investment horizon shall be at least 3 years.

B. 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 as also 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. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is 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:** Nifty Midcap 100

iv) **Minimum Account size**

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

v) **Investment Strategy:**

- Focus on sectors with strong operating dynamics and growth visibility – target 80% of the portfolio to be invested in 4-6 sectors.
- 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
- use a value investing approach to focus on higher longer term returns
- Build a focused portfolio of ~15-25 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.

vi) **Risk Factors:**

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. The Product shall be subject to risk Factors associated with investments in Equity & Equity related securities, Derivatives and Liquid Funds.

vii) **Recommended Investment Horizon**

The recommended investment horizon shall be at least 3 years.

C. AUTO ASSET ALLOCATION PORTFOLIO

i) **Investment objective:**

To offer absolute return over 18 to 24 month period by way of allocating assets across multiple asset classes like Equity (domestic and overseas equity), Gold ETF (or such other commodities as may be permitted by the regulator from time to time), Fixed Income (long term or short term) etc. There is no assurance that the investment objective will be realised.

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 alongwith 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:**

Composite Index comprising 1/3rd Equity (Nifty Index), 1/3rd Gold (INR) and 1/3rd CRISIL Liquid Fund Index.

iv) Minimum Account size

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

v) Investment Strategy:

Portfolio Components: The product that will aim to generate stable growth by investing in multiple asset classes like Equity (domestic and overseas equity), Gold ETF (or such other commodities as may be permitted by the regulator from time to time), Fixed Income (long term and short term) etc. The portfolio will build exposure to these asset classes by investing predominantly in ETFs. It may invest in Mutual Funds wherever appropriate ETF option is not available.

Quantitative Approach: The portfolio will pursue the Tactical Asset Allocation in order to generate absolute return over a period of 18 to 24 months. We believe that the asset allocation investment decision requires continuous study of various economic and financial parameters and their inter linkages from time to time. Moreover, asset allocation by nature is a macro decision and is more suited to a disciplined data driven approach rather than outlook based approach. The Portfolio Manager therefore favors quantitative way of Tactical Asset Allocation. Key benefits of this approach are as follows:

- Fundamentally-grounded, systematic investment process that eliminates fund manager bias
- Disciplined approach with risk management integral to the investment process
- Strategies applied across all major developed and emerging markets and across all asset classes

vi) Risk Factors:

- Exit loads in case of investments in MF schemes – Investors will be subjected to the exit loads of the underlying schemes in addition to the exit load of the portfolio. The exit load in the underlying schemes may be applied on account of: (i) Portfolio rebalancing (ii) redemption by investor from the Portfolio before the period of exit load of the underlying scheme is complete.
- All the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.
- The portfolio will see immediate action on suggested changes in the weights of the portfolio investments at the time of rebalancing. However, the actual execution will be subject to the settlement cycle of each asset class and it may observe some delays.
- Portfolio will prefer to invest in Aditya Birla Sun Life ETFs / Mutual Funds, wherever available. They may sometimes be underperforming the products available in the market in the same category.
- As the 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.
- As 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.
- Risk of Quantitative Investing shall also apply to this Product which are elaborated in section 6 of this document.
- The asset allocation limits and the quant strategy may undergo changes from time to time.
- Halting of trading, settlement cycles, unforeseen events etc may affect the normal rebalancing/redemption in the portfolio.

- The scheme will invest in a combination of Growth and Income Mutual Fund schemes. Hence the performance of the scheme would depend upon the performance of underlying schemes.
- Investments in Debt Schemes will have all the risks associated with the debt markets including Interest Rate Risk, Duration Risk, Credit Risk and Reinvestment Risk.
- To the extent the underlying Debt Schemes/Equity Schemes make investment in overseas financial assets, there may be risk associated with currency movements, restriction on repatriation and transaction procedures in overseas markets.
- To the extent the underlying Debt Schemes/Equity Schemes engage in security lending, the Fund will be subject to risks related to fluctuations in collateral value/ settlement/liquidity/counter party.
- To the extent the underlying Debt Schemes/Equity Schemes are permitted to invest in derivative instruments the Fund is exposed to the high risk, high return derivative instruments.

- The product shall be subject to risk Factors associated with investments in Gold / Gold ETFs as specified below:

  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) 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.

vii) Any other terms:

Indicative Asset Allocation: The portfolio will conduct an asset allocation in such a way that the portfolio volatility (of daily returns over the last 1 year) remains between 8% and 12%, with the target volatility of 10%.

Portfolio Rebalancing: The product proposes to rebalance the portfolio once in a month and in extra ordinary event, the rebalancing may happen more frequently. On the day of rebalancing, changes in the weights of the portfolio investments will be subject to minimum subscription / redemption / transaction amount of the target investments. The deployment would be subject to external market conditions and terms of the underlying instruments like market liquidity of ETF, settlement cycle etc.

Portfolio Turnover: As per the quantitative model proposed to be used, it is historically observed that the average annual portfolio turnover has been around 100% with maximum turnover of around 130% and minimum of 40%. This turnover is at the portfolio level and does not account for turnover happening in the underlying asset classes. The actual turnover however could be higher or lower.

Pending deployment: Pending investment, funds from new clients could be invested in money market or short term debt funds. There will not be any cap on such investments. The inception date of the investor’s portfolio would be considered as the date when the full amount is effectively available for deployment.

Investment Advisor: Forefront Capital, a SEBI registered Portfolio Manager, is appointed as the Advisor. Aditya Birla Sun Life AMC Limited - Portfolio Manager may replace / supplement it with any other entity as the Advisor or may run the quantitative model completely on its own in future.

Investment Horizon: The recommended investment horizon shall be 2 years or more

Lock in or Redemption Terms: Clients will be charged redemption charge @ 1% of amount withdrawn for all withdrawals before completion of 1 year from the date of investment on first in first out basis. This is over and above the exit loads charged, if any, by the underlying schemes

D. 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 10 to 18 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. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. It is predominantly a Largecap 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

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

v) 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. The model uses GARCH to forecast the volatility 40 days in advance which helps in better risk adjusted portfolio. Once the return and risk for each of the stocks is evaluated, the optimiser then enables 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 minimum exposure towards any security would be 2% and the maximum shall be 12%. The portfolio will have a sector cap of 20% above the benchmark weightage. For this purpose sector will be as per the AMFI classification. 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.

vi) Risk Factors:

- 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.

- In case of Adapt Portfolio, 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 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.

E. INDIA BSE - 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. Features of the companies can include – 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-200 Index

iv) Minimum Account Size:

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

v) 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.

vi) 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 minimum exposure towards any security would be 2% and the maximum shall be 12%. The portfolio will have a sector cap of 20% above the benchmark weightage. For this purpose sector will be as per the AMFI classification. 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 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 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.

vii) Risk Factors:

- 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.

- In case of Adapt Portfolio, 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 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. <u>ADAPT PORTFOLIO</u>

Note: ADAPT stands for Active and Dynamic Asset Allocation Portfolio

i) Investment objective:

To generate long term capital appreciation by investing in multiple asset classes, according to the risk-return profile of investors. Each of the 5 plans has a quantitative driven asset allocation which is used to construct portfolio to suit to a specific profile.

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 alongwith 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:

Risk Profile	Benchmark
Very Conservative	CRISIL Liquid Fund Index
Conservative	CRISIL Liquid Fund Index +25 bps
Moderate	CRISIL Liquid Fund Index +50 bps
Aggressive	CRISIL Liquid Fund Index +75 bps
Very Aggressive	CRISIL Liquid Fund Index +100 bps

iv) Minimum Account Size:

Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject 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:

Sr. No	Asset Class	Investment done by way of:
1	Equity	by taking direct exposure to equities or through Mutual Fund Schemes (including Exchange Traded Funds)
2	Debt	through Mutual Fund Schemes (including Exchange Traded Funds)
3	Commodity	through Gold Exchange Traded Funds (Gold ETF)
4	Cash	through Mutual Fund Schemes (including Exchange Traded Funds)
5	Global products	Global feeder funds domiciled in India

The 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:

1. 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.

2. In case of Adapt Portfolio, 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.

3. 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.

4. 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.

5. 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.

6. 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.

G. 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. 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:

A broad based Index as mutually agreed by the Portfolio Manager and the Client. The chosen benchmark would complement various parameters like investment strategy, portfolio restrictions etc. and will purely be for measuring performance and the Portfolio Manager will not necessarily replicate the portfolio according to benchmark weights.

iv) Minimum Account Size:

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

v) Investment Strategy:

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

vi) 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.

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.

H. TOP 200 CORE EQUITY PORTFOLIO

The Indian markets have gone through a major shift over the last couple of years. During this period, they have moved (along with the broad economy) from almost a trough to fresh highs. It is also notable that while the markets have scaled new highs, the structure & shape of this up move has constantly changed. From being a more sentiment driven market, it is getting more fundamental focused again and pricing in all the key developments that affect the fundamentals of India Inc. While the initial move in the markets was driven more by small caps & midcaps, the latter part of the rally has been driven by larger companies. We expect the trend to continue with the larger cap companies.

While the growth is expected to be broad based (sector wise), we believe some sectors with stronger operating dynamics and core to the Indian growth story will outshine the others. To capture such highly liquid, less risky, and "value" intrinsic companies, Top 200 Core Equity Portfolio has been created.

Top 200 Core Equity Portfolio is a large cap focused and low ticket sized product offering greater liquidity and value investing approach for a longer horizon. While risks associated with equity market will remain, the proposed portfolio to be comprised of large cap, it will have slightly lesser degree of risk.

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. Features of the companies can include – High 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: BSE-200

iv) Minimum Account Size:

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

v) Investment Strategy:

- Invest in quality businesses that are core to India Growth Story and create the most value
- Portfolio of companies in industries with favorable operating dynamics – using value investing approach
- 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

vi) 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.

vii) Any other terms:
Recommended Investment Horizon:
At least 3 years

I. INDIA SPECIAL OPPORTUNITIES PORTFOLIO

i) Investment Objective:
The investment objective of the portfolio is to invest in stocks that are primed to benefit from the catalysts 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, 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: Nifty 500

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

v) 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 15-25 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.

vi) 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.
- 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.
- 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.

vii) Any other terms:

The recommended investment horizon shall be minimum of three years.

J. NIFTY NEXT 100

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. Features of the companies can include – High quality with consistency in growth, high ROE, low leverage & high potential for growth. Investment will be done in top 150 companies by market cap (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 Next 50.

iv) **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.

v) **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 15-25 stocks.
- Predominant part of the portfolio would be in Nifty Next 100 stocks.
- Exposure to Top 50 stocks in terms of market capitalization would be less than 30%.
- 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.

vi) **Risk Factors & Disclaimers**

Risk Factors associated with Strategy Specific Risk:

- **Concentration Risk:** Concentration risk will be significant as investments would be made in 15-25 companies only under normal circumstances. Risk of concentrated portfolio is expected to be balanced through optimum diversification in sectoral allocations in the portfolio.

- **Significant Exposure to Midcap Risk**
  a. The ability to absorb business changes is lesser in mid-cap companies as compared to some of their larger compatriots.
  b. These stocks may, at particular given time, have poor liquidity on the bourses and volatility levels could be higher

vii) **Any other terms**
Tenure: Minimum 3 years from the date of investment.
Lock in or Redemption Terms: Exit load applicable

K. INNOVATION PORTFOLIO

i) **Investment Objective:** The objective is long term wealth creation with lower volatility.

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: NIFTY 500.

iv) 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.

v) Investment Strategy:

- Identify companies which create business value by actively innovating across products/processes.
- Stock selection and industry allocation independent of benchmark weights
- Around 50-75% 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 ~15-25 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.

vi) Risk Factors & Disclaimers - Key risk: Equity Market Risk

vii) Any other Term

- Tenure: Minimum 3 years from the date of investment.
- Lock in or Redemption Terms: (Exclusive of Taxes)
  Exit load applicable
- For withdrawal before completion of 1 year, an exit load @ 3% will be charged.
- For withdrawal after completion of 1 year but before completion of 2 years, an exit load @ 2% will be charged.
- For withdrawal after completion of 2 year but before completion of 3 years, an exit load @ 1% will be charged.

L. 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. 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

iv) Minimum Account Size:

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

v) Risk Factors:

Returns on debt securities may be fixed / floating. Such securities may yield returns that will be linked to stocks / indices / schemes / securities of various asset classes.

vi) Any other terms:

The recommended investment horizon shall be minimum one year or till maturity of the security.

M. CUSTOMISED DEBT PORTFOLIO

Through a customised debt portfolio, investors can avail twin benefits of leveraging the portfolio manager's in-house capability and retaining the flexibility of their direct treasury portfolio. We believe that this potent combo enhances investors' chance of generating a sustainable alpha.

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:

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) 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 our 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 we allocate 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 Fund 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:

The Portfolio Manager and the investor can select any index from say CRISIL or I- Sec range of benchmarks. Alternatively, they may decide on CD / CP rate or any such mutually acceptable benchmark. The benchmark would complement various parameters like investment strategy, portfolio restrictions, tenure of the portfolio etc.

iv) Minimum Account Size:

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

v) 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).

vi) Risk factors:

The Portfolio shall be subject to risk factors associated with investments in Fixed Income securities.

vii) 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.

- 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.

N. <u>REAL ESTATE YIELD MAXIMIZER PORTFOLIO</u>

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.

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 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 our 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 we allocate 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 Fund 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 AA Short Term Bond Index as on date of portfolio investment & disinvestment.

iv) Minimum Account Size:

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

v) **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.

vi) **Risk Factors:**

Standard Risk Factors:

- Securities Investments are subject to market risks such as trading volumes, settlement risk, liquidity risk, and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the portfolio will be achieved.
- As the price / value / interest rates of the securities in which the portfolio invests fluctuates, the value of your investment in the Portfolio may go up or down depending on the various factors and forces affecting capital markets and money markets.
- The portfolio held by the investor might be exposed to concentration risk by virtue of investing in limited sectors/companies and hence portfolio returns might fluctuate heavily due to lack of diversification.
- The investor 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.

Risk Factors associated with investments in Debt Securities:

- Prospective Investors should be aware that this investment in debentures involves significant risks that should be considered prior to an investment. General Anti-avoidance Rule ('GAAR') has become applicable from April 1, 2017 and the Indian income-tax authorities could regard arrangements as impermissible avoidance arrangements, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four tests mentioned below: (i) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length; (ii) It results in direct / indirect misuse or abuse of the Income-tax Act, 1961; (iii) It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or (iv) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes. In such cases, the tax authorities are empowered to reallocate the income from such arrangement, or re-characterize or disregard the arrangement. In a scenario where the debentures are transferred to a third party prior to the redemption date, the Indian income-tax authorities could recharacterize the arrangement and reallocate the income as interest income instead of capital gains. On such basis, the taxability in the hands of Investors could be at a higher rate of ~ 30% (excluding surcharge and education cess) instead of ~ 10% / 20% (excluding surcharge and education cess).

Risk Factors associated with investments in Real Estate:

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

- Construction Risk: The development of properties includes a degree of risk associated with the construction of the property, including the risk that a project may not be completed within the proposed budget, within the agreed timeframe and/or to the agreed specifications. Also, the Real estate projects involve significant construction and development works with construction cost forming a major portion of the project capital expenditure. Construction cost is affected by the availability, cost and quality of raw materials. The prices and supply of these and other raw materials depend on factors not within the control of the Portfolio companies, including general economic conditions, competition, production levels, transportation costs and import duties.
- Delays in Project: The construction of projects may face opposition from local communities, non-government organisations and other parties. The construction of projects may become politicised and face opposition from the local communities where these projects are located and from special interest groups. In particular, the public may oppose the acquisition or lease of land due to the perceived negative impact it may have on such communities or on the environment.
- Competition Risk: The Portfolio companies may invest, construct or maintain and operate certain real estate assets in a highly-competitive environment. The Portfolio companies will compete with other consortia and entities for property and real estate-related assets. These competitors, which include large construction and engineering groups and other financial investors, may have significant financial resources and may be able to present bids with competitive terms. As a result of such competition, the Portfolio companies may have difficulty in making certain potential investments or the Portfolio companies may be required to make investments on economic terms less favorable than anticipated.
- Government License Risk: All of the Portfolio investments will be in entities that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licences or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If the Portfolio companies fail to comply with these regulations, license terms or contractual obligations, it would have a significant adverse impact on the projects and the financial performance of the Portfolio companies and in turn the valuation of the investment of the client.
- Change in Law Risk: Any change in applicable law, which requires retrospective changes in the structure or operations of the Portfolio investment, may adversely impact the performance of the Portfolio investment. Accounting practices may also change, which may affect, in particular, the manner in which the Portfolio investments are valued and / or the way in which income or capital gains are recognised and/or allocated by the Portfolio.
- Documents and Other Legal Risk: Investments in the real estate sector are usually governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over the interpretation and enforceability of legal documents or contracts may be higher than for investments in other sectors. Other legal risks relate to environmental issues, industrial actions and actions by special interest groups.
- Third Party Litigation and Ability to Enforce Legal Rights: The investment activities of the Portfolio may subject to the normal risks of becoming involved in litigation with third parties. This risk is enhanced where the Portfolio exercises (or is perceived to exercise)

some amount of control over the direction of the affairs of a Portfolio company. The Indian judicial system is subject to extensive delays, procedural hassles and high costs and, as a result, the Portfolio may have difficulty in pursuing claims in the court.

vii) Any other terms

- The recommended investment horizon shall be Five years.
- 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 back 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 Funds as mentioned above. Additionally, PMS will not charge any fees or charges from the investor in such a case. Further, the Portfolio Manager can extend the term beyond 90 days with the written consent of the investor.
- The 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.

O. EQUITY LINKED DEBENTURE SERIES (ELD)

Under this product the Portfolio will launch a series of ELD portfolios that will invest in ELDs of various issuers.

i) Investment Objective:

Participate in the growth of equity market with protection of capital, subject to issuer’s credit risk. A series might or might not have minimum coupon but will always have equity linked participation.

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 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 our 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 we allocate 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 Fund 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:

The Product shall have a Reference Index, i.e., an index whose performance will be referred to while determining the final coupon.

iv) Minimum account size:

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

v) Risk Factors:

- ELDs are structured products and 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 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 ELDs due to such reasons as it deems fit, no Issue / allotment of ELDs will be made.
- If the Issuer chooses to revise the issue opening date/issue closing date/ date of allotment of the ELDs, the Portfolio Manager retains the right to subscribe/refuse to the ELDs 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 ELD at any time prior to the maturity of such ELD. In such a case, the pay-off may be, lower than the pay-off crystallized, as per the terms of the 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 ELDs are subject to credit risk of the issuer of the 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 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 ELDs over the life and/or part thereof or upon maturity of the ELDs.

- At any time during the life of such ELDs, the value of the ELDs may be substantially less than its investment value. Further, the price of the ELDs 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 ELDs may modify the terms of issue of ELDs, so as to track a different and suitable index and appropriate intimation will be sent to the 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 equity linked debentures (ELD) involves a fair measure of uncertainty of payoffs, as changes in the value of underlying Index can cause asymmetric changes in the ELD value. The term "capital", if used, in relation to "Principal Protection" refers to the face value of the ELD. Any Principal Protection is subject to the terms of the Issuer Documents, investments being held 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 ELDs 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 ELDs 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 ELD over the life and/or part thereof or upon maturity of the ELDs. Even where the ELDs 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 ELDs are proposed to be listed. Presently, secondary market for such securitized papers is not very liquid. Listing of the ELD does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the ELDs

will develop or be maintained. Consequently, the ELDs 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 ELDs 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 ELDs (including the amount if any, payable on maturity, redemption, sale or disposition of the ELD.) The ELD holder may receive no income/return at all on the ELDs or less income/return than the 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 ELDs, 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.
- 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 ELDS. The Participation Rate and the averaging mechanism of the ELDS, if any, will also affect the performance of the Portfolio.

vi) Any other terms:

- Name and rating of the ELD issuing NBFC will be mentioned in the client reports.
- Offer Period: Issue Opening and Closing Dates
- Listing: The ELDs will be mandatorily listed.
- Payoff structure: The final agreement that the investor signs will have the relevant payoff terms and scenario analysis.
- Principal protection: Regardless of reference index movements, the product will endeavor to pay back 100% of the principal amount at maturity. The term 'principal' in relation to 'Principal Protection' refers to the face value of the debenture. The principal protection is subject to credit risk of the issuer and is effective only if the ELD is held to maturity. In case the issuer of the ELD defaults, the Investor may fail to receive the principal amount also.
- Valuation: As per the SEBI circular dated 28th September, 2011 valuation for ELDs shall be made available on the websites of the issuer and of the valuer appointed for the purpose.
- Participation Rate: This shall mean the ratio of product return as a % to the benchmark / underlying return.
- Investment Horizon: The recommended investment horizon could be anywhere between 12 months to 36 months.

P. DUAL ADVANTAGE PORTFOLIO

i) Investment Objective:

The portfolio endeavours to provide dual advantage of capital protection at maturity through debt / hybrid instruments and marginal capital appreciation through equity in a hybrid portfolio that is more debt oriented.

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 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 our 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 we allocate 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 Fund 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 Hybrid 85+15 - Conservative Index

iv) 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.

v) Investment Strategy:
The portfolio shall endeavor to invest in debt instruments / market linked debenture’s in such a manner that the debt / hybrid part of portfolio achieves capital protection for the investor (on a Pre Tax basis), subject to issuer credit risk / event risk and the equity investment provides equity market participation. Debt / hybrid allocation might vary depending upon the tenure and yield of underlying securities and allocation to equity will vary accordingly.

vi) Valuation

- Valuation of securities, fixed income, hybrid and equity shall be conducted by the Portfolio Manager on a daily basis.
- Securities for which daily valuation is not available from rating agencies, shall be valued as per fair valuation practices. The Portfolio manager may avail the services of a valuation agency for the same.
- The valuation agency may be chosen by the Portfolio Manager at its sole discretion.
- As the securities to be held by the investors might 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) Investment Horizon: Minimum 3 years from the date of investment

viii) Risk Factors:

<u>Risk Factors associated with investments in Debt Securities:</u>

- Price-Risk or Interest-Rate Risk: Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- Credit Risk: The issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down.
- Concentration risk: The portfolio may be concentrated with exposure to limited number of securities / sectors. Further, the portfolio may be invested entirely in a single security which may be issued by an associate company of the Portfolio Manager as well. Hence portfolio returns might fluctuate heavily due to lack of diversification.
- 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.

<u>Risks associated with investments in hybrid instruments:</u>

- MLDs are structured products and 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 MLD 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 MLDs due to such reasons as it deems fit, no Issue / allotment of MLDs will be made.
- If the Issuer chooses to revise the issue opening date/issue closing date/ date of allotment of the MLDs, the Portfolio Manager retains the right to subscribe/refuse to the MLDs 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 MLD at any time prior to the maturity of such MLD. In such a case, the pay-off may be, lower than the pay-off crystallized, as per the terms of the MLD. 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 MLDs are subject to credit risk of the issuer of the MLDs 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 MLD 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 MLDs over the life and/or part thereof or upon maturity of the MLDs.
- At any time during the life of such MLDs, the value of the MLDs may be substantially less than its investment value. Further, the price of the MLDs 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 MLDs may modify the terms of issue of MLDs, so as to track a different and suitable index and appropriate intimation will be sent to the MLD holders.
- The Risk Factors mentioned above 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 market linked debentures (MLD) involves a fair measure of uncertainty of payoffs, as changes in the value of underlying Index can cause asymmetric changes in the MLD value. The term "capital", if used, in relation to "Principal Protection" refers to the face value of the MLD. Any Principal Protection is subject to the terms of the Issuer Documents, investments being held 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 MLDs 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 MLDs 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 MLD over the life and/or part thereof or upon maturity of the MLDs. Even where the MLDs 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.
- Liquidity Risk: The MLDs are proposed to be listed. Presently, secondary market for such securitized papers is not very liquid. Listing of the MLD does not necessarily guarantee their liquidity and there can be no assurance that an active

secondary market for the MLDs will develop or be maintained. Consequently, the MLDs may be illiquid and quote below its face value/valuation price.

- Concentration risk: The portfolio may be concentrated with exposure to limited number of securities / sectors. Further, the portfolio may be invested entirely in a single security which may be issued by an associate company of the Portfolio Manager as well. Hence portfolio returns might fluctuate heavily due to lack of diversification.
- 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, interest rates and time remaining to maturity. The return of the Portfolio is linked to performance of the underlying Index The returns on the MLDs may be lower than prevalent market interest rates or even be nil depending entirely on the movement in the underlying index over the life of the MLDs (including the amount if any, payable on maturity, redemption, sale or disposition of the MLD.) The MLD holder may receive no income/return at all on the MLDs or less income/return than the MLD 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 MLDs, 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.

Risk Factors associated with investments in Equity and Equity related Securities:
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.

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

Q. 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. 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 our 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 we allocate 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 Fund 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 Liquid fund index

(iv) 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 SEBI regulations

(v) Investment Strategy:
The portfolio will invest the entire net assets in Liquid Scheme of Mutual Funds.

(vi) Investment Horizon: The tenure is 3 months

(vii) Risk Factors:

Risk Factors associated with investments in Debt Securities:

- Price-Risk or Interest-Rate Risk: Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

- Credit Risk: The issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down.

- Liquidity or Marketability Risk: 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 securities carries high degree of risk due to their illiquidity. 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.

- 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.

- Different types of securities in which the Portfolio would invest would carry different levels and types of risk. Accordingly the Portfolio's risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

- The above are some of the common risks associated with investments in fixed and money market securities. 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.

Risk Factors associated with investments in Liquid Funds:

- 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.

OVERALL EQUITY INVESTMENT PROCESS (COMMON TO ALL PRODUCTS):

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

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

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

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

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

3. **Security Coverage:**
   The Fund 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, we seek to identify attractively valued companies with strong or improving fundamentals. We add value by doing our own valuation research.

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

   - Industry operating dynamics
   - High levels of free cash flow
   - High operating margins and return on equity
   - Sustainable earnings growth
   - Attractive valuation
   - Superior management team
   - High quality franchise, product, or service

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

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

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

There are broadly three pillars of our investment process. First and foremost is our 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 our bottom-up credit evaluation methodology. We evaluate 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 our focus on cash flow, credit structuring and multi-layered credit approval process has allowed us to consistently deliver superior risk adjusted returns for our clients. Simultaneously, we forecast 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. We track all major macro-economic parameters on a continued basis. We evaluate this data obtained through multiple sources such as Bloomberg, Government websites, CMIE etc. We have 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 we endear 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.

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 installments. 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), such additional investment will be deployed in same proportion as original investment.

However, the additional investment will be processed as a fresh STP request if the client wants such additional investment to be deployed as fresh in 10 or 5 installments.

- **Weekly STP**

a) Minimum Corpus:

The minimum corpus amount required to avail Weekly STP facility is Rs. 2 (two) crores.

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 installments over the period of 5 / 10 months respectively.

c) Additional investments:

In case, client (having subscribed to STP), makes any additional investment (before portfolio alignment with model), such additional investment will be deployed in same proportion as original investment.

However, the additional investment will be processed as a fresh STP request if the client wants such additional investment to be deployed as fresh in 10 or 20 installments.

The client has to submit PMS Systematic Transfer Plan Registration Form along with PMS application at the time of initial investment.
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.

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 www.adityabirlacapital.com

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 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.

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.
- 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:

- 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.

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
	As on 31/08/20	As on 31/03/20	As on 31/03/19	As on 31/03/18	As on 31/08/20	As on 31/03/20	As on 31/03/19	As on 31/03/18	

1	Associates / Group Companies	1	1	1	1	98.05	94.46	94.06	104.54	Advisory
2.	Others	3954	4200	5428	6444	1,631.10	1,341.29	2,117.79	3,032.77	Discretionary
		1	2	2	5	71.81	58.42	70.05	144.44	Advisory
Total		**3956**	**4203**	**5431**	**6450**	**1,800.96**	**1,494.16**	**2,281.90**	**3,281,75**	

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 ending March 31, 2020:

a) List of Related Parties:

1.	**Related Party**
A	**Ultimate Parent Company**
	Grasim Industries Limited (w.e.f. 1st July, 2017)
B	**Parent Company**
	Aditya Birla Capital Limited (ABCL) (Formerly known as Aditya Birla Financial Services Limited)
C	**Other Related Party**
	Sun Life (India) AMC Investments Inc., Canada
	Sun Life Global Investments (Canada) Inc
	Aditya Birla Management Corporation Private Limited
D	**Fellow Subsidiaries of Ultimate Parent Company**
	Aditya Birla Sun Life Insurance Company Limited
	Aditya Birla Sun Life Trustee Private Limited
	Aditya Birla Money Limited
	Aditya Birla Money Mart Limited
	Aditya Birla Finance Limited
	Aditya Birla Financial Shared Services Limited
	Aditya Birla Insurance Brokers Limited
	Aditya Birla Money Insurance Advisory Services Limited
	Aditya Birla MyUniverse Limited
	Aditya Birla Commodities Broking Limited
	Aditya Birla PE Advisors Private Limited
	Aditya Birla Housing Finance Limited
	Aditya Birla ARC Limited
	ABCAP Trustee Company Private Limited
	Aditya Birla Sun Life Pension Management Limited
	Aditya Birla Health Insurance Company Limited
	ABCSL – Employee Welfare Trust
	Aditya Birla Wellness Private Limited
	ABNL Investment Limited

1.	**Related Party**
E	**The entities in respect of which funds are managed by companies subsidiaries**
	India Advantage Fund Limited
	International Opportunities Fund SPC
	Global Green Energy Fund
	New Horizon Fund SPC
F	**Parties where Control exists (Subsidiaries)**
	Aditya Birla Sun Life AMC (Mauritius) Limited
	Aditya Birla Sun Life AMC Limited, Dubai
	Aditya Birla Sun Life AMC Pte. Limited, Singapore
G	**Affiliates**
	Green Oak India Investment Advisors Private Limited
H	**Directors and Key Management Personnel**
	Kumar Mangalam Birla
	Ajay Srinivasan
	A Balasubramanian (Managing Director & Chief Executive Officer)
	Sandeep Asthana
	Colm Joseph Freyne
	Bobby Parikh
	Bharat Patel
	Alka Marezban Bharucha
	Harish Engineer
	Sushobhan Sarker
	Navin Puri

b) Transactions with Related Parties (Standalone figures) (Rs. In Lakhs)

Particulars	Referred to							
	A	**B**	**C**	**D**	**E**	**F**	**G**	**H**
1. Income	-	-	-	-	-	-		
2. Expenses								
Brokerage	-	-	-	-	-	-		
Marketing Fee	-	-	-	-	-	978.22		
Commission	-	-	-	48.36	-	-		
Advertisement Expenses	-	-	-	-	-	-		
Contribution to Superannuation Fund /Gratuity/Group Term	-	-	-	486.92	-	-		
Business Promotion Expenses	-	-	-	695.22	-	-	-	
Rent	91.69	60.38	-	-	-	-	-	
3. Reimbursements of costs received	-	0.19	6.29	29.95	-	-	-	
4. Reimbursements of costs paid	-	3982.92	148.81	2893.76	-	-	-	
5. Managerial Remuneration	-	-	-	-	-	-	-	541.06

Particulars	Referred to							
	A	B	C	D	E	F	G	H
6. Director's Sitting fees								22.90
7. Interim Dividend Paid	-	16829.96	16170.00	-	-	0.02		
8. Deposit Repayment Received	-	-	-	-	-	-		
9. Deposit Paid	-	-	-	-	-	-		
10. Prepaid Expenses balances	-	-	-	40.09	-	-		
Advisory Service							84.09	
Purchase of Fixed Assets	-	-	-	-	-	-		
Sale of Fixed Assets	-	-	-	0.05	-	-		
Outstanding Balances payable	-7.08	- 362.64	-64.06	-453.78		-107.26		
Outstanding Balances receivables	71.32	24.20	6.29	56.27	-107.27			

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 lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Management & Advisory Fee	113,965.76	130,522.57	1,21606.67
Income from Portfolio Management	5,306.36	7,668.47	10,372.13
Total Income including Other Income	121,382.25	138,451.85	139,099.13
Expenses (Excl. Dep. and Tax)	52,661.98	729,95.11	76,999.36
Total Expenses including Depreciation and Tax	56,256.46	74,298.61	77,983.30
Net Income after Tax	48,590.16	44,886.94	34,147.74
Equity Capital	1800.00	1800.00	1800.00
Reserves & Surplus	132,807.78	124,517.15	115,971.49

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. {For all products EXCEPT India Large Cap Quant Equity Portfolio, India BSE-200 Quant Equity Portfolio, ADAPT Portfolio}:

Description	Investment Approach	Current Year (April 1, 2019 to August 31, 2020)	2019-2020	2018-2019	2017-2018
	Select Sector Portfolio	28.77%	-29.66%	-14.82%	8.85%
	Select Sector Portfolio-	24.30%	-20.25%	-8.92%	0.23%

Description	Investment Approach	Current Year (April 1, 2019 to August 31, 2020)	2019-2020	2018-2019	2017-2018
	STP Option				
	Core Equity Portfolio	21.77%	-24.89%	-8.35%	3.63%
	Top 200 Core Equity Portfolio	28.62%	-18.01%	6.99%	14.12%
	India Special Opportunities Portfolio	24.43%	-14.46%	-1.77%	NA
	Nifty Next 100	19.49%	-23.01%	NA	NA
	Innovation	38.22%	-13.48%	7.23%	NA
	Customised Equity	32.92%	-21.86%	4.91%	0.57%
	Real Estate Yield Maximiser	1.49%	14.65%	2.48%	NA
	Liquid Portfolio	1.83%	0.45%	NA	NA
Benchmark Performance %					
Nifty Midcap 100	Select Sector Portfolio	42.54%	-35.90%	-2.66%	9.07%
Nifty Midcap 100	Select Sector Portfolio- STP Option	42.54%	-35.90%	-2.66%	0.05%
Nifty 500	Core Equity Portfolio	33.95%	-27.60%	8.43%	11.47%
BSE 200	Top 200 Core Equity Portfolio	33.12%	-26.44%	10.71%	11.04%
Nifty 500	India Special Opportunities Portfolio	33.95%	-27.60%	2.95%	NA
Nifty Next 50	Nifty Next 100	27.03%	-24.07%	NA	NA
Nifty 500	Innovation	33.95%	-27.60%	3.10%	NA
Nifty 500	Customised Equity	11.80%	-27.60%	8.43%	2.88%
CRISIL Composite AA Short Term Bond Index	Real Estate Yield Maximiser	4.64%	10.00%	5.11%	NA
CRISIL Liquid Fund Index	Liquid Portfolio	1.92%	0.32%	NA	NA

Note:

1. There are no investors in Auto Asset Allocation Portfolio, Equity Linked Debenture Series, Asset Linked Portfolio and Customized Debt Portfolio. Hence performance numbers for these portfolios are not available for disclosure.

2. Returns for below investments approaches have been calculated from first investment date in respective investment approach- (i) Select Sector Portfolio - STP Option -23rd Mar 18 (ii) India Special Opportunities Portfolio -14th June 18) (iii) Nifty next 100- 27th Sep 19 (iv) Innovation -14th Jan 20 (v) Customised Equity- FOF -4th Oct 17 (vi) Real Estate Yield Maximiser -17th Sep 18 (vii) Liquid Portfolio- 24th Mar 20.

(B) Portfolio Management performance of the portfolio manager for the last three years, and 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. {For India Large Cap Quant Equity Portfolio), India BSE - 200 Quant Equity Portfolio, ADAPT Portfolio}

Description	Investment Approach	Current Year (April 1, 2019 to August 31, 2020)	2019-2020	2018-2019	2017-2018
	India Large Cap Quant Equity Portfolio	20.14%	-18.23%	9.54%	8.87%
	India BSE 200 Quant Equity Portfolio	28.95%	-13.41%	3.20%	14.85%
	Adapt Portfolio - Very Conservative	4.35%	9.07%	7.15%	5.04%
	Adapt Portfolio - Moderate	7.35%	5.05%	6.04%	4.61%
	Adapt Portfolio - Aggressive	10.64%	-4.87%	6.72%	4.62%
	Adapt Portfolio - Very Aggressive	25.17%	-9.85%	3.12%	10.98%
Benchmark Performance%					
Nifty 50	India Large Cap Quant Equity Portfolio	32.45%	-26.03%	14.93%	10.25%
BSE 200	India BSE 200 Quant Equity Portfolio	33.12%	-26.44%	10.71%	11.04%
Crisil Liquid Fund Index	Adapt Portfolio - Very Conservative	1.92%	6.39%	7.63%	6.84%
Crisil Liquid Fund Index + 50 bps	Adapt Portfolio – Moderate	2.13%	6.92%	8.17%	7.38%
Crisil Liquid Fund Index + 75 bps	Adapt Portfolio – Aggressive	2.24%	7.19%	8.43%	7.65%
Crisil Liquid Fund Index + 100 bps	Adapt Portfolio - Very Aggressive	2.35%	7.45%	8.70%	7.91%

Note:

1. Above products were migrated to Aditya Birla Sun Life AMC Limited - Portfolio Manager with effect from October 20, 2014.
2. None of the clients for product Adapt Conservative were migrated to Aditya Birla Sun Life AMC Limited - Portfolio Manager, hence performance numbers are not available.

10) AUDIT OBSERVATIONS

There have been no Audit observations in the preceding 3 years.

11) NATURE OF EXPENSES

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

Particulars	Details	Expenses*
Fixed Management Fee	P.A. on Avg. AUM	2.50 % per annum of the daily average of the portfolio value
Custody Charges	P.A. on Avg. AUM for Resident Clients	0.08%
	P.A. on Avg. AUM for Non-Resident Clients	0.04% (subject to a min. of 300 p.m.)
Transaction Charges#	For Resident Clients	Rs. 10 Per transaction
FA Fees	P.A. on average AUM	0.08% (subject to cap of Rs.9000 & floor of Rs. 4020 p.a.)
Acc. Opening	One time in 1st year	Rs. 1500
Acc. Maintenance Charges	Fixed P.A.	Rs. 2000
Brokerage	P.A. on Avg. AUM	0.12% (Plus applicable taxes)
Exit Load	For withdrawal before completion of 1 year, an exit load @ 1% will be charged	

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

2. Discretionary PMS:

A. Core Equity Portfolio

Fixed Management Fee Option	2.50% p.a. *
Variable Fee option:	1. Minimum Management Fee: 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. - 20% of return in excess of 12% 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:	For resident clients: Fees per Delivery free (DF) instruction: Rs.10 Transaction Charges for mutual fund transaction (purchase/sale): Rs.100 per transaction. For NRI clients: <25 trades per month: Rs. 200 per transaction Between 25 and 50 trades per month: Rs. 100 per transaction >50 trades per month: Rs. 50 per transaction Fees per Delivery free (DF) instruction: Rs.10 Transaction Charges for mutual fund transaction (purchase/sale): Rs. 100 per transaction
Fund Accounting Fee:	Rs.335 per month.
Brokerage	The current brokerage rate is around 0.12% for the trade value of every ‘buy’ and ‘sell’ transaction. 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	Rs.11,000 p.a.
Exit Load	Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client
Performance fee	(1)- Return beyond 12%-20% of profit sharing. (2)- Return beyond 10%- 20% of profit sharing.

*Includes Commission Expense

B. <u>Select Sector Portfolio</u>

(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 India Reform Portfolio w.e.f. the said date.)

Option I (Fixed Fee)	Management Fee: 2.50% per annum (p.a)* of the daily average of the portfolio account value
Option II (Variable Fee)	1. Minimum Management Fee: 1.50% p.a. 3. Variable Management Fee (charged on High Water Mark basis): o For return upto 12% p.a. – Nil o For return above 12% p.a. - 20% of return in excess of 12% p.a.
Custody Fee	<u>For resident clients:</u> Upto 8 bps p.a. on average AUM <u>For NRI clients:</u> Upto 15 bps p.a. on AUC per investor
Transaction Charges:	<u>For resident clients</u>: Fees per Delivery free (DF) instruction: Rs.10 Transaction Charges for mutual fund transaction (purchase/sale): Rs.100 per transaction <u>For NRI clients:</u> <25 trades per month: Rs.200 per transaction Between 25 and 50 trades per month: Rs.100 per transaction >50 trades per month: Rs.50 per transaction Fees per Delivery free (DF) instruction: Rs.10 Transaction Charges for mutual fund transaction (purchase/sale):Rs. 100 per transaction
Fund Accounting Fee	Rs.335 per month
Brokerage	The current brokerage rate is around 0.12% for the trade value of every ‘buy’ and ‘sell’ transaction. 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	Rs.11,000 p.a.
Exit Load	Up to 3% for a period as mutually agreed by the Portfolio Manager and the Client

*Includes Commission Expense

C. **Auto Asset Allocation Portfolio:**

Fixed Management Fee Option	2% p.a.* (charged quarterly on daily average assets)
Other charges	At actual. For details of other expenses like Fund Accounting, Custody etc., please refer to the Portfolio Management Services agreement.
Exit Load	Not more than 1% (including Goods and Service Tax) Such percentage as mutually agreed between the Portfolio Manager and the Client; on the amount withdrawn prior to the redemption of the debentures on.

*Includes Commission Expense

D. **Nature of Expenses For India Large Cap Quant Equity Portfolio, India BSE - 200 Quant Equity Portfolio and Adapt Portfolio:**

The indicative fees and expenses, which a Client is likely to incur while availing of the Portfolio Management Services, are as follows:

Fixed Fee	A fixed management fee 7% per annum* of the value of the Portfolio. Additional applicable taxes shall be charged on the amount of fees.
Variable Fee	The variable management fees shall be linked to the portfolio performance and shall be charged based on the positive returns. Additional applicable taxes shall be charged on the amount of fees. Profit /Performance shall be computed on the basis of high water mark principle over the life of the investment, for charging performance/profit sharing fee. High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. Performance based fee shall be charged only on increase in portfolio value in excess of the previously achieved high water mark. Illustration: Consider that frequency of charging of performance fees is annual. A client’s initial contribution is Rs.10,00,000, which then rises to Rs.12,00,000 in its first year; a performance fee/ profit sharing would be payable on the Rs.2,00,000 return. In the next year the portfolio value drops to Rs.11,00,000 hence no performance fee would be payable. If in the third year the Portfolio rises to Rs.13,00,000, a performance fee/profit sharing would be payable only on the Rs1,00,000 profit which is portfolio value in excess of the previously achieved high water mark of Rs.12,00,000, rather than on the full return during that year from Rs.11,00,000 to Rs.13,00,000
Exit Fee or Early Termination Fee	In the event of earlier termination (prior to the expiry of the Contract Period), an Early Termination Fee calculated at the rate of upto 5 % on the NAV determined on the effective date of termination may be charged and recovered from the Client. Additional applicable taxes shall be charged on the amount of fees.
Account Opening Charges	Rs. 1,460 one time
Custodian / Accounting Fees	The Portfolio Manager may appoint suitable custodian-cum-clearing agents, fund accountants, and depository participants for custody of securities and settlement of trades. The custody charges will be based on

	the assets under management and the said charges shall not exceed 50 basis points per annum of the market value of such securities, without the prior permission of the client. Out of pocket expenses, applicable taxes and charges on the services rendered by the Custodian and depository charges shall be charged at actuals as applicable. In the event that the Client opts to maintain separate accounts, then in such events account opening charges and other associated expenses shall be charged to the Client's account. It is clarified that the aforesaid head is inapplicable to Clients who have availed only Advisory Portfolio Management Services.
Registrar and transfer agent fees	As may be negotiated by the Portfolio Manager with suitable registrar and transfer agents. Currently these services are provided by the Portfolio Manager. It is clarified that the aforesaid head is inapplicable to Clients who have availed only Advisory Portfolio Management Services.
Brokerage and transaction costs	These will be incurred on purchase and sale of Securities. It is clarified, that the purchase and sale prices of Securities will be inclusive of the market rates of the Securities, the brokerage charges and related transaction costs, including stamp fees, if any. The Charges under this head are not expected to exceed 1% per transaction. It is clarified that the aforesaid head is inapplicable to Clients who have availed only Advisory Portfolio Management Services.
Bank Charges	As may be applicable at actuals. It is clarified that the aforesaid head is inapplicable to Clients who have availed only Advisory Portfolio Management Services.
Stamp duty	As may be applicable at actual
Legal costs and professional fees	Costs incurred for instituting or defending legal suits, audit fees and other similar charges.
Out-of pocket expenses	As may be incurred at actuals by the Portfolio Manager on behalf of the Client.

*Includes Commission Expense

E. <u>Top 200 Core Equity Portfolio:</u>

Management Fee	2.50% p.a.* (charged quarterly on daily average assets)
Custody Charges	<u>For resident clients:</u> <u>Upto 8 bps p.a. on average AUM</u> <u>For NRI clients:</u> <u>Upto 15 bps p.a. on AUC per investor</u>
Transaction Charges	Upto Rs. 10 per transaction for resident clients and upto Rs. 200 per transaction for non-resident clients
Fund Accounting Fees	Rs.335 per month
Brokerage	Upto 0.12% of trade value
Account Opening & Maintenance	Upto Rs. 1,500 one time a/c opening charges and 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

*Includes Commission Expense

F. India Special Opportunities Portfolio:

Management fee	2.5% p.a*
Operating Expenses	At Actuals
Lock in or redemption	Exit load applicable For withdrawal before completion of 1 year, an exit load @ 3% will be charged. For withdrawal after completion of 1 year but before completion of 2 years, an exit load @ 2% will be charged. For withdrawal after completion of 2 year but before completion of 3 years, an exit load @ 1% will be charged.
Redemption	Daily
Taxation	Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision
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
Fund Accounting Fee	Rs.335 per month

*Includes Commission Expense

G. Nifty Next 100:

Management fee (exclusive of tax)	The fund will charge a Management fee of 2.5% p.a.* on the average AUM
Performance Fee:	Nil
Operating Expenses	The current brokerage rate is around 0.12% for the trade value of every 'buy' and 'sell' transaction. Such costs either get added to (in case of 'buy') or reduced from (in case of Sale) Trade value. Custody & Fund Accounting Charges : For resident clients - 4.5 bps per annum- charged on average AUM. For Non-resident clients - Custody fee @4 bps per annum- charged on AUC subject to floor of Rs. 300 per month. Fund Accounting Fee – Rs 4020 p.a. Transaction Charges - For resident clients:- Rs. 4.50 per transaction. For Non-resident clients - Rs. 20 per transaction plus applicable DP charges. Account Opening Charges - Rs. 1500 /- one time Account Maintenance Charges - Rs. 2000/- per financial year. Exit Load: As stated in redemption terms.
Taxation	Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision

*Includes Commission Expense

H. Innovation Portfolio:

Management fee (Exclusive of tax)	1) Fixed Management Fee Option - 2.50% p.a.* 2) Variable Fee option : 1. Management Fee: 1.00% p.a. 2. Variable Management Fee (Charged on High Water Mark basis): • For return upto 12% p.a. – Nil • For return above 12% p.a. - 20% of return in excess of 12% p.a.
Operating Expenses (Exclusive of Taxes)	Custody fees :Upto 4.5 bps per annum Transaction charges: For RI: a) Fees per trade transaction: Rs. 10 b) Transaction charges for Mutual fund transaction (purchase/sale): Rs. 100 per transaction. For NRI: charges per trade transaction: Rs. 20 plus applicable DP charges on actual basis. Fund Accounting Fee: Rs. 4020 per annum Brokerage: 0.12% of transaction value as charged by broker. Account Opening & Maintenance Charges: Account opening charges: Rs. 1500/- one time & Account maintenance charges: Rs. 2000/-p.a.
Taxation	Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision

*Includes Commission Expense

I. Customised Debt Portfolio:

Customised debt – Managed

Management Fee	Fixed Fee of 0.30% p.a* (excluding Goods and Service Tax)
Operating expenses	At actual. Includes fund accounting fee, custody fees and other transaction charges to be charged @1.75 bps p.a.
Exit load	NIL

*Includes Commission Expense

Customised debt – Held Till Maturity

Management Fee	NIL
Operating expenses	At actual. Includes fund accounting fee, custody fees and other transaction charges to be charged @1.75 bps p.a.
Exit load	NIL

J. Real Estate Yield Maximizer Portfolio

Management fee	2.0% 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 individual deal basis. On each deal, post INR 12 % IRR (pre-tax) distribution shall be 80:20 (The Investor's share will be 80 % and remaining share will be of the Portfolio Manager)
Lock in or Redemption Terms	Exit load applicable will be as follows: 6% - if the investor wishes to exit in the 1st year 5%- if the investor wishes to exit in the 2nd year 4%- if the investor wishes to exit in the 3rd year 3%- if the investor wishes to exit in the 4th year 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 for 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 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.
Taxation	Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision

*Includes Commission Expense

K. Dual Advantage Portfolio

Management fee (exclusive of tax)	The fund will charge a Management fee of 2% p.a*. on the average AUM
Performance Fee:	Nil
Lock in or redemption	Exit loads will be applicable: a. For redemption before completion of 1 year, an exit load @ 5% will be charged. b. For redemption after completion of 1 year but before completion of 2 years, an exit load @ 3% will be charged. c. For redemption after completion of 2 year but before completion of 3 years, an exit load @ 2% will be charged. d. Nil from 4th year. Exit load shall be recovered from the cash generated from liquidation of

	Equity portfolio. Please note that exit load will be charged on the basis of the most recent valuation provided by the Portfolio Manager or on the basis of Face Value of Investment, whichever is lower. While the above mentioned exit loads are for a typical 3 year structure, it may undergo changes depending on the actual tenure of the investment.
Operating Expenses	1. The brokerage shall be charged to the investor as per the actual cost incurred. 2. Custody & Fund Accounting Charges : For resident clients:-1.6 bps per annum- charged on average AUM. For Non-resident clients:- Custody fee @4 bps per annum- charged on AUC subject to floor of Rs. 300 per month & Fund Accounting Fee @ 1.6 bps per annum. 3. Transaction Charges: For resident clients:- Rs. 10 per transaction. Transaction Charges for mutual fund transaction (purchase/sale): ₹ 100 per transaction. For Non-resident clients:- Rs. 20 per transaction plus applicable DP charges. 4. Account Opening Charges: Rs. 1500 /- one time 5. Account Maintenance Charges: Rs. 2000/- per financial year. 6. Exit Load: As stated in redemption terms.
Taxation	Investors are advised to seek consultation from their Independent Financial Advisor / Tax Advisor before making any investment decision.

*Includes Commission Expense

L. Liquid Portfolio

Management Fee	NIL
Custody Charges	NIL
Transaction Charges	Rs. 10 per transaction
Fund Accounting Fee	1.6 bps per annum
Brokerage	Not Applicable
Account Opening Charges	Account opening charges: Rs.1500/- one time

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.

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	0.05%
Sale of an option in securities, where option is exercised	0.125%
Sale of a futures in securities	0.01%
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 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 36 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 would be subject to tax @ 15% (plus applicable surcharge and education cess) pursuant section 111A of the Income-tax Act, 1961.

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.

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 units of equity oriented mutual fund will be chargeable to tax at rate of 10% (plus applicable surcharge and Health and Education Cess) without indexation and without foreign currency fluctuation benefit on such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if STT has been paid on transfer of units of equity oriented mutual funds.

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.

Long-term Capital Gains in respect units of Mutual Fund (other than equity oriented mutual fund) held for a period of more than 36 months will be chargeable to tax under section 112 of the Act at the rate of 20% plus surcharge and cess, as applicable. 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.

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, calculated at the rate of 10% plus surcharge, as applicable and cess 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.

A clarificatory amendment has been made in Finance Act 2016 in section 112(1)(c)(iii) to provide that long term capital gains arising from the transfer of a capital asset, being shares of a company not being a company in which public are substantially interested, shall also be chargeable to tax at the rate of 10%.

For assets other than specified above, rate of income tax would be 20% plus surcharge, as applicable and cess. In case of a Resident, Capital gains would be computed after taking into account cost of acquisition as adjusted by Cost Inflation Index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

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 rate of 10% plus applicable surcharge and cess. Such long-term capital gains would be calculated without indexation of cost of acquisition.

Finance Act, 2020, it is proposed to withdraw 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/- 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 extent 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.

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 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 charge 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 Private 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:

Ms. Urvi Sanghvi
Compliance Officer

Correspondence Address: Aditya Birla Sun Life AMC Limited.
One Indiabulls Centre, Tower-1, 17th floor,
Jupiter Mill Compound, 841,
S.B. Marg, Prabhadevi,
Mumbai 400 013. Tel: 022-43568271
Email: urvi.sanghvi@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".

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.

Place: Mumbai
Dated: September 28, 2020

For and on behalf of Aditya Birla Sun Life AMC Limited

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

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

Mr. Sushobhan Sarker has ceased to be an Independent Director of ABSLAMC, with effect from Tuesday, April 06, 2021.

In view of the above, reference to Mr. Sushobhan Sarker under the section “Directors and their background” in the Disclosure Document stands deleted.

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of ABSLAMC dated September 28, 2020. The Disclosure Document shall stand modified to the extent mentioned above.

All other terms and conditions of the Disclosure Document remain unchanged.

For Aditya Birla Sun Life AMC Limited
(Portfolio Management Division)

Sd/-
Authorised Signatory
Date: April 08, 2021
Place: Mumbai

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

Ms. Natasha Lulla has ceased to be a Fund Manager of ABSLAMC from closure of business hours of Friday, December 03, 2021.

In view of the above, reference to Ms. Natasha Lulla under the section "Key Personnel" in the Disclosure Document stands deleted.

Further, Mr. Naushad Chaudhary been appointed as the Research Analyst with effect from Wednesday, December 01, 2021

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of ABSLAMC dated September 28, 2020. The Disclosure Document shall stand modified to the extent mentioned above.

All other terms and conditions of the Disclosure Document remain unchanged.

For Aditya Birla Sun Life AMC Limited
(Portfolio Management Division)

Sd/-
Authorised Signatory
Date: December 03, 2021
Place: Mumbai

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

Mr. Dhrushil Jhaveri has ceased to be the Fund Manager of ABSLAMC from closure of business hours of Tuesday, December 14, 2021.

In view of the above, reference to Mr. Dhrushil Jhaveri under the section “Key Personnel” in the Disclosure Document stands deleted.

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of ABSLAMC dated September 28, 2020. The Disclosure Document shall stand modified to the extent mentioned above.

All other terms and conditions of the Disclosure Document remain unchanged.

For Aditya Birla Sun Life AMC Limited
(Portfolio Management Division)

Sd/-
Authorised Signatory
Date: December 14, 2021
Place: Mumbai

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

Mr. Sunder Rajan Raman (DIN: 02511138) and Mr. Ramesh Abhishek (DIN: 07452293) have been appointed as Independent Directors on the Board of ABSLAMC. This appointment is w.e.f. Saturday, January 01, 2022.

In view of the above, under the section "Directors and their background" a brief profile of the Directors is given below:

Name	Age & Qualifications	Brief Experience
Mr. Sunder Rajan Raman	69 years Master's degree in Economics, Diploma in Business Management, L.L.B., Diploma In German Language and B.Com	Mr. Raman served as a Whole Time Member of SEBI from 2012 to 2017. During his tenure with SEBI, Mr. Raman supervised almost the entire spectrum of the capital markets including, (1) Investments (Mutual Funds, Foreign Portfolio Investments, Corporate Bonds etc.) (2) Primary Markets including IPOs/ FPOs/ Mergers & Acquisitions. (3) Secondary Markets including Market Regulation, Regulation of Market Intermediaries etc. His significant achievements included transition to a new Foreign Portfolio Regime in 2014, curbing the menace of fraudulent fund raisings and introduction of regulatory framework for several new products viz REITS/INVITS/Municipal Bonds. Mr. Raman had earlier served as the Chairman and Managing Director of Canara Bank and as Executive
Mr. Ramesh Abhishek	62 years Master's degree in Business Administration in Finance, Master's degree in Arts (International Politics) and Master's degree in Public Administration.	Mr. Abhishek, an Indian Administrative Service (IAS) officer, 1982 batch (Retired July 2019) has served as Secretary to the Government of India in the Department for Promotion of Industry and Internal Trade (DPIIT), the key department spearheading key government initiatives such as Make in India, Start-up India, Ease of Doing Business and Industrial Corridors in the Country. He played a crucial role in FDI policy reforms, the Ease of Doing Business initiative, investment promotion and in the Start-up India campaign. He has also served as Chairman of the Commodity Derivative Markets Regulator, Forward Markets Commission. In this role, he brought about far-reaching reforms in the regulation of the market.

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of ABSLAMC dated September 28, 2020. The Disclosure Document shall stand modified to the extent mentioned above.

All other terms and conditions of the Disclosure Document remain unchanged.

For Aditya Birla Sun Life AMC Limited
(Portfolio Management Division)

Sd/-
Authorised Signatory
Date: December 21, 2021
Place: Mumbai

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

Change in Benchmark index

Aditya Birla Sun Life AMC Limited (ABSLAMC) - Portfolio Manager proposes to change the benchmark index of Asset Linked Portfolio as under **with effect from January 03, 2022.**

In view of the above, relevant changes will be carried out under the section "Services Offered - Discretionary Portfolio Management Services", for benchmark index of Asset Linked Portfolio as given below

Existing Benchmark	Proposed Benchmark	Rationale for change
Nifty 50	A broad based Index depending on the underlying asset in the PMS portfolio (For example, including but not limited to Nifty 50, Nifty Midcap, Nifty Smallcap, etc. for equities and CRISIL Composite Bond Fund Index, CRISIL short term bond fund index, etc. for fixed income). The chosen benchmark will purely be for measuring performance and the Portfolio Manager will not necessarily replicate the portfolio according to benchmark weights. Alternatively, CD / CP rate or any such benchmark may be decided upon.	The characteristics of a portfolio may vary as per the composition and risk associated with the underlying securities. Accordingly, the portfolio may invest across securities linked to (but not limited to) equity & equity-oriented instruments, debt instruments, commodities, inflation, etc. Hence, the proposed benchmark shall ensure that the benchmark is as per the investments in the portfolio.

This addendum forms an integral part of the Disclosure Document of Portfolio Management Services of ABSLAMC dated September 28, 2020. The Disclosure Document shall stand modified to the extent mentioned above.

All other terms and conditions of the Disclosure Document remain unchanged.

For Aditya Birla Sun Life AMC Limited
(Portfolio Management Division)

Sd/-
Authorised Signatory
Date: December 30, 2021
Place: Mumbai