(As per the requirement of Fifth Schedule of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020)

KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES UNDERTAKEN BY 360 ONE ASSET MANAGEMENT LIMITED (FORMERLY KNOWN AS IIFL ASSET MANAGEMENT LIMITED).

This document has been filed with the Board along with a certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 ("SEBI Regulations").

The purpose of the Document is to provide essential information about the Portfolio Management Services in a manner to assist and enable the Investors in making decisions for engaging a Portfolio Manager.

The necessary information about the Portfolio Manager required by an Investor before investing is disclosed in the Disclosure Document and the Investor is advised to retain the document for future reference.

Investors should carefully read the entire document before making a decision and should retain it for future reference. Investors may also like to seek further clarifications or obtain further changes after the date of this document from the service provider.

Following are the details of the Portfolio Manager:

Name of the Portfolio Manager	**360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited)**
SEBI Registration Number	INP000004565
Registered Office Address	360 ONE Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013
Phone	+9122 4876 5600
Website	https://portfolio.iiflamc.com/

THE NAME, PHONE NO., E-MAIL ADDRESS OF THE PRINCIPAL OFFICER SO DESIGNATED BY THE PORTFOLIO MANAGER IS:

Name of the Principal Officer	**Mr. Anup Maheshwari**
Phone	+9122 4876 5439
Email	Anup.Maheshwari@360.one
Website	https://www.360.one/asset-management/pms/

Date: December 29, 2023

TABLE OF CONTENTS

1. Disclaimer:

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

2. Definitions:

In this Disclosure Document, unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:

a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

b) "Accreditation Agency" means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time.

c) "Accredited Investor" means any person who has been granted a certificate by the accreditation agency who:

1. in case of an individual, HUF, family trust or sole proprietorship has:
   A. annual income of at least two crore rupees; or
   B. net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
   C. annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.

2. in case of a body corporate, has net worth of at least fifty crore rupees;

3. in case of a trust other than family trust, has net worth of at least fifty crore rupees;

4. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the Central Government and the State Governments, developmental agencies set up under the aegis of the Central Government or the State Governments, funds set up by the Central Government or the State Governments, qualified institutional buyers as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by SEBI from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

d) "Agreement" means Portfolio Management Services agreement between Portfolio Manager and the client as amended, modified, supplemented or restated from time to time together with all schedules, annexures, exhibits attached thereto (if any).

e) "Applicable Laws" means any applicable Indian statute, law, ordinance, regulation including SEBI Regulations, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgement or decree or other instrument which has a force of law in India as in force from time to time.

f) "Alternative Investment Fund" means any fund established or incorporated in India in the form of a trust or company or a limited liability partnership or a body corporate set up in accordance with SEBI (Alternative Investment Funds) Regulations, 2012.

g) "Associate" means (i) a body corporate in which a director of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital, as the case may be of the Portfolio Manager.

h) "Board" means the Securities and Exchange Board of India.

i) “Body Corporate” shall have the meaning assigned to it in or under clause (11) of Section 2 of Companies Act, 2013.

j) “Client” or “Investor” means any person who enters into an agreement with the Portfolio Manager for availing the services of the Portfolio Manager from time to time.

k) “Co-investment” shall have the meaning assigned under Regulation 2(fa) of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

l) “Custodian” means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.

m) “Depository” means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

n) “Depository Account” means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations in which the securities comprising part of the portfolio of the client are kept by the portfolio manager.

o) “Disclosure Document” means this disclosure document for offering Portfolio Management Services.

p) “Financial year” means the year starting from 1st April and ending on 31st March the following year.

q) “Funds” means the moneys placed by the Client with the Portfolio Manager and any accretions thereto.

r) “Funds managed” means the value of the Portfolio of the Client as on date.

s) “Initial Corpus” means the value of the funds and the value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.

t) "Investing Company or the Venturer” shall mean a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate.

u) “Investment Approach (‘IA’)” shall mean the documented investment philosophy of the type of securities and permissible instruments to be invested by the Portfolio Managers while managing the client funds in order to achieve client’s investment objectives.

v) “Large Value Accredited Investor” means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees.

w) “Portfolio” means the total holdings of all securities and funds belonging to the client.

x) “Portfolio Manager” / “Co-investment Portfolio Manager” means 360 ONE Asset Management Limited (formerly known as IIFL Asset Management Limited), a company incorporated under the Companies Act, 1956 and having its registered office at 360 ONE Centre, 6th Floor, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013.

y) “Principal Officer” means a person who has been designated as Principal Officer by the Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 2020 and he will be responsible for the activities of Portfolio Manager.

z) “Portfolio Management Services” means the portfolio management services and/or the co-investment portfolio management services provided by the Portfolio Manager/Co-Investment Portfolio Manager in accordance with the terms and conditions set out in the respective Agreement, this Disclosure Document and subject to Applicable Laws.

aa) “Regulations” means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 including rules, guidelines or circulars issued in relation thereto from time to time.

bb) "Related Party" in relation to Portfolio Manager shall mean:

(i) a director, partner or his relative;
(ii) a key managerial personnel or his relative;
(iii) a firm, in which a director, partner, manager or his relative is a partner;
(iv) a private company in which a director, partner or manager or his relative is a member or director;
(v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than 2 (Two) percent of its paid-up share capital;
(vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
(viii) any body corporate which is –
(A) a holding, subsidiary or an Associate company of the Portfolio Manager; OR
(B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary;
(C) an Investing company or the Venturer of the Portfolio Manager;
(ix) a related party as defined under applicable accounting standards;
(x) such other person as may be specified by SEBI from time to time:

Provided that,
(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
(b) any person or any entity, holding equity shares :
(i) of twenty percent or more;
(ii) of ten percent or more, with effect from April 1, 2023;
in the listed entity either directly or on a beneficial interest basis, as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.

cc) **"SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

dd) "Securities" means and includes Securities as defined under Securities Contracts (Regulation) Act, 1956

ee) "Sponsor" shall have the meaning assigned to them under Regulation 2(w) of SEBI (Alternative Investment Funds) Regulations, 2012.

Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to the SEBI (Portfolio Managers) Regulation, 2020, SEBI Act, 1992, Securities Contract (Regulation) Act, 1996, SEBI (Alternative Investment Funds) Regulations, 2012, The Companies Act, 2013. Other terms should be as per their general meaning and usage. The definitions stated above are not exhaustive. They have been included only for the purpose of clarity and shall in addition be interpreted according to their general meaning and usage and shall also carry meanings assigned to them as per Applicable Laws governing Portfolio Management Services.

3. Description:

i. History, Present Business and Background of the Portfolio Manager:

360 ONE Asset Management Limited ("360 ONE AMC") was incorporated under the Companies Act, 1956 on March 22, 2010, having its registered office at 360 ONE Centre, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. 360 ONE AMC provides Investment Management Services to schemes of 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund) and schemes of Alternative Investment Funds and is also has a REIT registration. 360 ONE AMC also provides Portfolio Management Services including Co-investment portfolio management services. 360 ONE AMC is also registered with Securities Exchange Commission, USA as an Investment Adviser.

ii. Promoters of the Portfolio Manager, Directors and their background.

(a) Promoters of 360 ONE Asset Management Limited (360 ONE AMC)

360 ONE AMC is a wholly owned subsidiary of 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited) (360 ONE WAM). 360 ONE WAM is registered with SEBI as a Merchant Banker. It provides wealth management services to various HNI / Ultra HNI clients through itself and its subsidiaries. 360 ONE WAM acts as the Sponsor to 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund) and schemes launched as Alternative Investment Funds, managed by its Associate/group companies.

(b) The Board of Directors of 360 ONE Asset Management Limited

1) **Mr. Kumar Sharadindu- Independent Director**
Mr. Kumar Sharadindu has over 35 years of experience in the banking sector. He has been associated with State Bank of India since 1984 under various roles. As a MD & CEO of SBI Pension Funds (P) Ltd, largest Pension fund of India, he was responsible for handling key areas of investment and risk. Mr. Kumar has previously served as Head- Private Equity for State Bank of India, handling various areas of work such as heading the core deal team and monitoring investments in various funds across industries. Mr. Sharadindu has completed M.Sc. (Physics) from Delhi University and B.Sc. (Physics) from Delhi University.

2) **Mr. Anup Maheshwari- Director**
Mr. Maheshwari has over 24 years of work experience in the financial service sector. Prior to joining 360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited), he was associated with DSP Investment Managers Private Limited (formerly known as DSP BlackRock Investment Managers Private Limited) for over 21 years (September 2006 - July 2018 and July 1997-November 2005) as an Executive Vice President & Chief Investment Officer. He was also associated with HSBC Asset Management (India) Private Limited & Merrill Lynch India Equities Fund (Mauritius) Limited. He has done his Bachelor of Commerce from Bombay University and Post Graduate Diploma in Management in finance and marketing from Indian Institute of Management, Lucknow.

3) **Mr. Karan Bhagat – Director**
Mr. Karan Bhagat is the Founder and Managing Director of 360 ONE WAM. He holds an MBA in Finance from the Indian Institute of Management, Bangalore and acquired his bachelor's degree in Commerce from St. Xavier's College, Kolkata. He has more than 20 years of experience in the financial services sector. He is responsible for providing direction and leadership towards the achievement of the organization's strategic goals and objectives. He was recognised as 'Asia's Promising Business Leaders' by The Economic Times in 2022. He featured in Fortune India's '40 under 40' list in 2016 and 2017 and The Economic Times '40 under 40' list in 2017. He also received the URS Asia One Global Indian of the Year award in 2018.

4) **Mr. Sethurathnam Ravi – Independent Director**
Mr. Ravi has served as a director on the boards of various prestigious institutions like LIC Housing Finance, BHEL, IDBI Bank, Union Bank and several other PSUs and PSBs. He is the Independent Director and Chairman of Tourism Finance Corporation of India Limited and director on the board of SBI Payment Services Pvt Ltd and Aditya Birla ARC Limited, among others. He has, also, been member of these companies' Audit Committees, Strategic Revival Committees and Risk Management Committees. Mr. Ravi has served as the Chairman (Public Interest Director) of BSE Limited during the period Nov 2017 to Feb 2019. He is the Founder and Managing Partner of Chartered Accountants firm Ravi Rajan & Co. LLP.

5) **Geeta Mathur**
Ms. Geeta Mathur is a Chartered Accountant having worked as a banker both on the asset side and risk side and with large corporate treasuries and investor relations. She started her career with ICICI, where she worked for over 10 years in the field of project, corporate and structured finance as well as represented ICICI on the Board of reputed companies such as Eicher Motors Limited and SIEL Limited, among others. She has developed, reorganised, streamlined and led large national teams. She transitioned from the corporate sector to the development sector as

CFO of Helpage India, where besides successful implementation of Oracle ERP and setting up processes for budgeting and MIS, she was consistently awarded by the Institute of Chartered Accountants and South Asian Federation of Accountants for best presentation and transparency in accounts. She currently serves as an independent director in various large organisations across manufacturing and services such as Motherson Sumi Wiring India Limited, Infoedge Ltd and NIIT Ltd. She also co-chairs the India chapter of Women Corporate Directors Foundation, a global membership organisation and community of Women Corporate Directors with a mission to foster a powerful, trusted community of influential Women Corporate Directors. She is a graduate in Commerce from the Shriram College of Commerce, Delhi University and did her articleship with the Price Waterhouse while pursuing her Chartered Accountancy.

6) **Anil Kaul**
Mr. Kaul was the Managing Director of Tata Capital Housing Finance Limited. Anil has spent over 3 decades in the financial services sector with a rich background working in the BFSI sector across various Banks, Insurance, Broking organizations and a Housing Finance Company. Mr. Kaul, a Gold Medalist with MBA in Finance & Marketing from the University of Lucknow joined Tata Capital in its 150th year as the Managing Director of Tata Capital Housing Finance Ltd (TCHFL) in July 2018. His rich experience and expertise in the financial services not only helped TCHFL establish a strong market position but also in expanding its footprint in India. He has spent over 3 decades in the financial services sector with a rich background working in the BFSI sector across various Banks, Insurance, Broking organisations and a Housing Finance Company. Mr. Kaul was the Senior General Manager responsible for Rural & Inclusive Banking and Institutional Banking Group at ICICI bank. He is very passionate about digital transformation, governance, and leadership processes in an organization.

(iii) The top ten group companies of the Portfolio Manager on turnover basis, as per the audited financial statements (FY 2022-2023) are as below:

1. IIFL Home Finance Limited
2. Samasta Finance Limited
3. IIFL Facilities Service Limited
4. Livlong Insurance Brokers limited
5. 360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)
6. 360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited]
7. IIFL Management Service Limited
8. Meenakshi Tower LLP
9. Livlong Protection & Wellness Service Limited
10. IIFL Capital Inc.

(iv) Details of the services being offered:

The Portfolio Manager broadly offers Discretionary, Non-Discretionary, Advisory and Co-Investment Portfolio Management Services. The details of these services are as provided below:

A) Discretionary services
In case of Discretionary Services, the Portfolio Manager shall independently manage the funds and securities of the client in accordance with the provisions of Portfolio Management service agreement. Portfolio manager shall invest funds of his clients in the securities listed or traded on a recognized stock exchange, money market instruments, units of Mutual Funds and other securities as specified by Board from time to time, on behalf of the clients. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may invest up to 100% of the assets under management in unlisted securities. The choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The Portfolio Managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on the ground of malafide, fraud, conflict of interest or gross negligence.

Notes:
- Investment under Portfolio Management Services will be only as per the applicable SEBI Regulations.

- The un-invested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager be held in cash or deployed in Liquid schemes of Mutual Funds, Exchange Traded Funds, Index Funds, debt oriented schemes of Mutual Funds, Gilt schemes, Bank deposits and other short term avenues for Investment.

- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.

- All of the below mentioned investment approaches are based on client's investment objective(s) and should not be construed as any Scheme promoted by the Company.

B) Non-Discretionary services

Under Non-discretionary services, the Portfolio Manager advises the Client about the various investments options and exit opportunities keeping in view the investment profile of the client etc. The Client ultimately decides on the investments. The Portfolio Manager facilitates the clients in providing research, investment advice, guidance and trade execution at the client's request. The Portfolio Manager shall execute orders only as per the instructions received from clients. The deployment of the client's funds and securities by the Portfolio Manager on the instructions of the client is absolute and final. However, for client(s) other than those falling under the category of Large Value Accredited Investors, the portfolio manager may advise to invest only up to 25% of the assets under management in unlisted securities in addition to the securities for discretionary portfolio management services. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may advise to invest up to 100% of the assets under management in unlisted securities.

C) Advisory services

Apart from Discretionary and Non-Discretionary Portfolio Management Services, the Portfolio Manager also offers Advisory Portfolio Management Services wherein the Portfolio Manager only renders investment advice to the client in respect of securities. Discretion to execute the transactions and responsibility for execution/ settlement of the transactions lies solely with the Client.

Under the Advisory function, Portfolio Manager advises on the client's portfolio with/without managing the funds/securities on specific or general instructions given by the client, as the case may be. Under the Advisory function, Portfolio Manager advises on Fund Management, Investment Management, Custody of Securities and other support services. The Portfolio Manager shall undertake advisory services for investments under Alternative Investment Fund(s) only under Co-investment Portfolio Management Services.

Discretion to execute the transactions and responsibility for execution /settlement of the transactions lies solely with the Client. However, for Client(s) other than those falling under the category of Large Value Accredited Investors, the portfolio manager may advise to invest only up to 25% of the assets under management in unlisted securities in addition to the securities for discretionary portfolio management services. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may advise to invest up to 100% of the assets under management in unlisted securities.

D) Co-Investment Portfolio Management Services

The Co-Investment Portfolio Manager is an Investment Manager to various categories of Alternative Investment Fund(s) and will offer Co-investment opportunities to existing investors of the schemes launched under 360 ONE Private Equity Fund (formerly known as IIFL Private Equity Fund, a SEBI registered Category II Alternative Investment Fund and such other Alternative Investment Funds that may be launched from time to time which are managed by them and sponsored by the same Sponsor. The Co-Investment Portfolio Manager shall make investments only in unlisted securities of investee companies where the Alternative Investment Funds makes investments.

Direct onboarding: Investors have the option to avail the portfolio management services directly from the AMC. Details of our direct offering are available on our website. Clients can onboard with the AMC directly by contacting us on our investor desk mail id - investordesk@360.one. Investors are requested to note that the provisions with respect to direct on-boarding of clients by Portfolio Managers as specified herein shall not be applicable to Co-investment Portfolio Management services offered by the Portfolio Manager.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:

I	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Regulations made thereunder	Nil
ii.	The nature of the penalty/direction.	N.A.
iii.	Penalties imposed for any economic offence and/ or for violation of any securities laws	Nil
iv.	Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any.	**Annexure A**
v.	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency.	Nil
vi.	Any enquiry/ adjudication proceedings initiated by the Board or any regulatory agency 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 Regulations	Nil

No penalties / directions have been issued by SEBI under the SEBI Act or Regulations made thereunder against the Company. There are no pending material litigations or legal proceedings, findings of inspections or investigations for which action has been taken or initiated by any regulatory authority against the Portfolio Manager or its Directors, principal officers or employees or any person directly or indirectly connected with the Portfolio Manager under the SEBI Act and Regulations made there under relating to Portfolio Management Services except as stated in **Annexure A**.

The Associates / group companies of 360 ONE AMC are engaged in providing various financial services including Stock Broking, Depository Business, NBFC, etc. In the normal course of its Broking and Depository business there arise arbitration matters/ client / Exchange proceedings before respective Exchange / Depository / Forums, most of which get rectified / disposed-off in the normal course.

5. Details of Services offered by the Portfolio Manager:

The Portfolio Manager broadly offers Discretionary Portfolio Management, Non-Discretionary Portfolio Management, Advisory Services and Co-investment Portfolio Management Services as described hereinabove in clause 3(iv).

The Portfolio Manager shall not accept from the client, funds or securities worth less than fifty lakh rupees. The minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients. However, the said minimum investment amount shall not be applicable to Accredited Investors. It is clarified that the requirement of minimum investment amount (as aforementioned) and providing securities for investments shall not be applicable to the investors availing Co-Investment Portfolio Management Services.

Under Discretionary and Non-Discretionary Service, the Portfolio Manager may invest in various portfolios with different terms and conditions from time to time. Discretionary and Non-Discretionary services are being offered under various strategies with various terms and conditions.

A. **Discretionary Portfolio Management**

Presently following Discretionary Portfolio Management approaches are being offered to the Investors.

- **360 ONE Multicap PMS (Formerly known as IIFL Multicap PMS):** (Managed by Mr. Nishant Vass)

i. **Strategy**: Equity

ii. **Investment objective**: The objective of the investment approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy is to invest in a portfolio following the SCDV framework (Secular, Cyclical, Defensives, Value Trap) wherein it invests a large proportion of the portfolio in quality Secular growth companies which are long term compounding stories. Rest of the portfolio is invested across quality Cyclicals and Defensives while maintaining underweight allocation in Value traps. Portfolio construction across these three quadrants enables us to enhance diversification even with limited number of stocks.

iii. **Description of types of securities**: Equity securities and Liquid schemes of Mutual Funds.

iv. **Allocation of portfolio across types of securities**: The allocation shall be as follows:

Security	Allocation %
Equity	Up to 100% of corpus
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

v. **Benchmark:** S&P BSE 500 TRI
S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vi. **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months.

➢ **360 ONE Multicap Advantage PMS (Formerly known as IIFL Multicap Advantage PMS):** (Managed by Mr. Nishant Vass)

i. **Strategy**: Equity

ii. **Investment objective**: The objective of the investment approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy is to invest in a portfolio following the SCDV framework (Secular, Cyclical, Defensives, Value Trap) wherein it invests a large proportion of the portfolio in quality Secular growth companies which are long term compounding stories. Rest of the portfolio is invested across quality Cyclicals and Defensives while maintaining underweight allocation in Value traps. Portfolio construction across these three quadrants enables us to enhance diversification even with limited number of stocks. The strategy also uses Put options to hedge portfolio of the investors against market downfalls.

iii. **Description of types of securities**: Equity securities, Put options and Liquid schemes of Mutual Funds

iv. **Basis of selection of such types of securities as part of the investment approach:**

Hedging Strategy & Duration

- Hedging shall be done at the portfolio manager's discretion
- The portfolio may or may not be fully hedged
- The tenure of the put option to be bought shall be at the portfolio manager's discretion keeping in mind factors like market, price, volatility and liquidity
- The portfolio manager may also hedge positions till a certain expiry and roll-over positions later on.

v. **Allocation of portfolio across types of securities**: The allocation shall be as follows:

Security	Allocation %
Equity	Up to 100% of corpus
Put Options (For Hedging)	Up to 10% of corpus
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

vi. **Benchmark:** S&P BSE 500 TRI

S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vii. **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

- **360 ONE Long Term Growth PMS (Formerly known as IIFL Long Term Growth PMS):** (Managed by Mr. Nishant Vass)

i) **Strategy**: Equity

ii) **Investment objective**: Investment objective of the Portfolio is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy of the Portfolio will be to invest in equity securities of sectors which would benefit from domestic growth story, manufacturing oriented sectors, banking & financial services (consumer- oriented banks and NBFCs) and consumer discretionary sectors.

iii) **Description of types of securities:** Equity and equity related instruments and Liquid schemes of Mutual Funds

iv) **Allocation of portfolio across types of securities**:

Security	**Allocation %**
Equity and equity related instruments	Upto 100%
Liquid schemes of Mutual Funds	As per fund manager's discretion

v) **Benchmark:** S&P BSE 500 TRI

S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vi) **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

- **360 ONE Focused Equity Strategies (Formerly known as IIFL Focused Equity Strategies):** (Managed by Mr. Nishant Vass)

i) **Strategy**: Equity

ii) **Investment objective**: The objective of strategy is to create a focused portfolio of select, high conviction stock ideas. The portfolio constructed will be based on in-depth research leading to bottom-up stock picking. The strategy aims to generated alpha over a period of over 2-3 years.

iii) **Description of types of securities:** Equity and equity related instruments and Liquid schemes of Mutual Funds

iv) **Allocation of portfolio across types of securities**:

Security	**Allocation %**
Equity and equity related instruments	Upto 100%
Liquid schemes	As per portfolio manager's discretion

v) **Benchmark:** S&P BSE 500 TRI
S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vi) **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

- **Customised Discretionary Portfolios**:

i) **Strategy:**

Investment Approach(es)	Strategy
Customised Discretionary Portfolio – Equity	Equity
Customised Discretionary Portfolio – Debt	Debt
Customised Discretionary Portfolio – Multi-asset	Multi-asset

ii) **Investment objective**: The Customized Discretionary portfolios are tailor-made to meet clients' specific objectives. The portfolios have client-specific investment objectives and risk control metrics. The portfolio under this approach can be classified as Customised Discretionary Portfolio – Equity, Customised Discretionary Portfolio - Multi-asset or Customised Discretionary Portfolio - Debt.

- **Equity**: Investments may be made across equity and equity related securities/schemes and are customized to meet specific liquidity needs

- **Debt**: Investments may be made across debt and debt related securities/ schemes and are customized to meet specific liquidity needs

- **Multi-asset**: Investments may be made across equity, debt and other securities/schemes and asset classes and are customized to meet specific liquidity needs.

iii) **Description of types of securities & basis of selection of such types of securities as part of the investment approach:**

Investment Approach(es)	Type of Securities	Basis of selection of such types of securities as part of the investment approach
Customised Discretionary Portfolio – Equity	Equity and equity related instruments	As per customised approaches offered to the investors. Please refer to the section below on '**Basis of selection of such types of securities'** for details.
Customised Discretionary Portfolio – Debt	Debt and debt related instruments	As per customised approaches offered to the investors. Selection approach for debt instrument would be based on the credit profile of capital entity issuing debt instrument, liquidity of the instrument in the market, promotors of the capital entity which is issuing debt, leverage of the entity, regulations relating to investing in sector and industry. Further the portfolio manager may monitor risk reward favorability basis the complexity of the structure of debt instruments, i.e. plain vanilla or a more complex one. In case of the structure of the debt instrument is complex structure which may further invest into projects or other capital entities, this may yield a higher coupon. In such instruments, covenants of the securities and provisions in Investment memorandum,

		guarantees (plain vanilla, conditional) and letter of comforts, escrow accounts or reserve accounts for interest payment servicing may also be looked at for investing in the instruments.
Customised Discretionary Portfolio – Multi-asset	Equity and equity related instruments, debt and debt related instruments, securities issues by entities in real estate sector of India, and alternates (including but not limited to currency derivatives, gold ETFs).	As per customised approaches offered to the investors. Selection approach for debt instrument would be based on the credit profile of capital entity issuing debt instrument, liquidity of the instrument in the market, promotors of the capital entity which is issuing debt, leverage of the entity, regulations relating to investing in sector and industry. Further the portfolio manager may monitor risk reward favorability basis the complexity of the structure of debt instruments, i.e. plain vanilla or a more complex one. In case of the structure of the debt instrument is complex structure which may further invest into projects or other capital entities, this may yield a higher coupon. In such instruments, covenants of the securities and provisions in Investment memorandum, guarantees (plain vanilla, conditional) and letter of comforts, escrow accounts or reserve accounts for interest payment servicing may also be looked at for investing in the instruments. Securities issues by entities in real estate sector of India - For security selection, the portfolio manager shall track commercial/residential real estate scenario. For a commercial real estate fund/security selection, quality of profile of tenants, area in the property for leasing, grade of the commercial property, quality of the commercial property in terms of construction and maintenance, connectivity and underlying leasing terms (lock-in, etc.) also shall be monitored for making real estate investments. For residential real estate fund/security selection, stage of project development, sales track record, execution record of the developer, collateral cover offered on securities, coupon structure on underlying securities, development rights on property, escrow mechanism for project cashflows, guarantees offered by promoters, etc. shall be considered.

iv) **Allocation of portfolio across types of securities based on the customised investment approach**:

- **Customised Discretionary Portfolio – Equity**

Security	**Allocation %**
Equity & equity related instruments	Upto 100%
Cash & others including liquid schemes of MFs	at the discretion of the Portfolio Manager

- **Customised Discretionary Portfolio - Debt**

Security	**Allocation %**
Debt & debt related instruments	Upto 100%

Cash & others including liquid schemes of MFs	at the discretion of the Portfolio Manager

- **Customised Discretionary Portfolio - Multi-asset**

Security*	Allocation %
Equity & equity related instruments	Upto 100%
Debt & debt related instruments	Upto 100%
Securities issued by entities in real estate sector of India	Upto 30%
Alternates	Upto 20%

**Cash & others including liquid schemes of MFs at the discretion of the Portfolio Manager.*

v) Benchmark shall be allocated basis the customised investment approach:

Investment Approach(es)	Type of Securities	Benchmark Rationale
Customised Discretionary Portfolio – Equity	S&P BSE 500 TRI Index	This is a broad-based diversified index and its composition broadly represents the strategy's investment universe.
Customised Discretionary Portfolio – Debt	CRISIL Credit Index	CRISIL Credit Index covers short to medium term paper (average duration of 2-2.5 years). The index allocates 50% weightage towards A rated indices and act as a broad-based composite index for the fund.
Customised Discretionary Portfolio – Multi-asset	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

vi) Indicative tenure or investment horizon

Investment Approach(es)	Strategy Manager
Customised Discretionary Portfolio – Equity	Mr. Nishant Vass
Customised Discretionary Portfolio – Debt	Mr. Sanket Hegde
Customised Discretionary Portfolio – Multi-asset	Mr. Nishant Vass

vii) Indicative tenure or investment horizon: As per agreed customised investment approach.

viii) Risks associated with the investment approach:

a. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.

b. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.

c. The value of the Portfolio investments, 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. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

d. Force Majeure: If, for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.

e. Basis the strategy opted, portfolio may consist of securities from companies/entities engaged in real estate sector. These Securities may not be listed therefore investors will not find an available market to sell these securities in case they require funds at an early date.

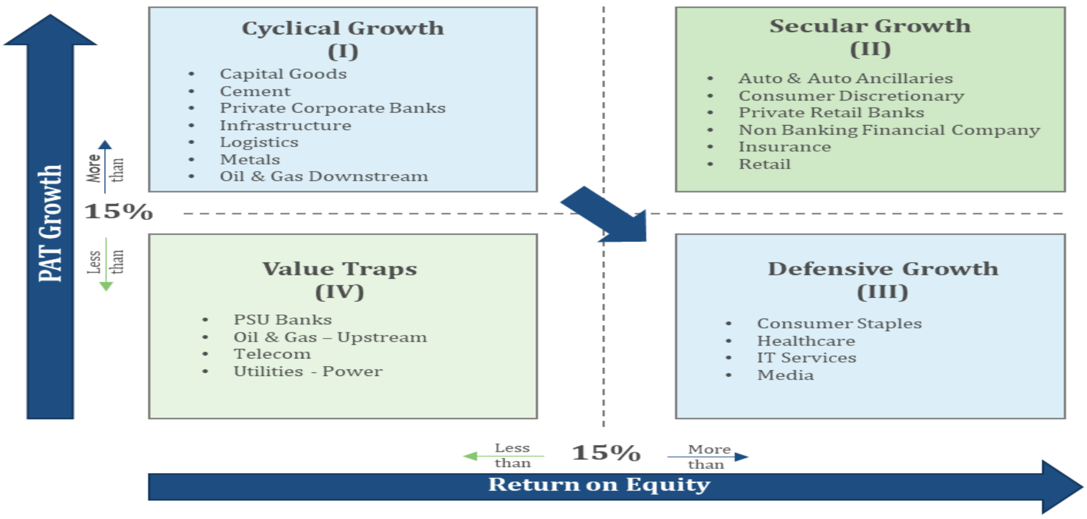
f. Investment in securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity.

ix) Other important notes, if any

In line with SEBI guidelines, the strategy doesn't intend to invest in unlisted securities. Any references in the investment approach description related to unlisted securities refers to existing investments of existing clients.

Basis of selection of such types of securities as part of the investment approach for 360 ONE Multicap PMS (Formerly known as IIFL Multicap PMS), 360 ONE Multicap Advantage PMS (Formerly known as IIFL Multicap Advantage PMS), 360 ONE Focused Equity Strategies (Formerly known as IIFL Focused Equity Strategies), Customised Discretionary Portfolios and 360 ONE Long Term Growth PMS (Formerly known as IIFL Long Term Growth PMS)

Listed Securities:



- **Cyclical (PAT>15%, ROE <15%)** – Companies/ Sectors that show high growth but are affected by market cycles hence need to be timed for entry and exit
- **Secular (PAT>15%, ROE >15%)** – High growth companies / sectors which show consistent growth across market cycles
- **Defensive (PAT<15%, ROE >15%)** – Companies / sectors that show consistent stable growth across market cycles
- **Value Trap (PAT<15%, ROE <15%)** – Companies/ sectors that are at attractive valuation but do not show commensurate growth.

Further, Stock selection would be subject to Internal and External Analysis.

Internal Analysis

- Financial analysis/screeners
- Checklists
- Corporate governance checks
- Risk-reward evaluation
- Stock pitch (weekly all-day sessions)
- Meeting notes

+

External Analysis

- Conferences & analyst meets
- Investor presentations
- Management interaction
- Primary visits across supply chain
- Interactions with industry experts & peers

Every stock in the coverage universe is ranked using one of 5 recommendations

1 Strong buy
2 Buy
3 Hold
4 Sell
5 Strong sell

Risks associated with the investment approach for 360 ONE Multicap PMS (Formerly known as IIFL Multicap PMS), 360 ONE Multicap Advantage PMS (Formerly known as IIFL Multicap Advantage PMS), 360 ONE Focused Equity Strategies (Formerly known as IIFL Focused Equity Strategies) and 360 ONE Long Term Growth PMS (Formerly known as IIFL Long Term Growth PMS):

a. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
b. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
c. The value of the Portfolio investments, 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. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
d. Force Majeure: If, for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment

➢ **<u>360 ONE Real Estate PMS (formerly known as IIFL Real Estate PMS)</u>:** (Managed by Mr. Saurabh Gupta)

Note: Real Estate Companies Portfolio has been merged with IIFL Real Estate PMS. Accordingly, Real Estate Companies Portfolio has been renamed as IIFL Real Estate PMS. The strategy is not accepting fresh investments from clients.

i. **Strategy**: Debt

ii. **Investment objective**: The objective is to participate on behalf of the clients in debt instruments issued by companies into real estate. The aim is to achieve regular interest and/or capital appreciation by investing in debentures of unlisted/listed real estate companies or AIFs investing in the securities of real estate companies.

iii. **Description of types of securities**: Debt and debt related instruments (including equity linked debt securities), AIFs

iv. **Basis of selection of such types of securities as part of the investment approach:**

For security selection, the portfolio manager shall track commercial/residential real estate scenario. For investment in AIFs investing in securities of commercial real estate companies, quality of profile of tenants, area in the property for leasing, grade of the commercial property, quality of the commercial property in terms of construction and maintenance, connectivity and underlying leasing terms (lock-in, etc.) also shall be monitored for making real estate investments. For investment in AIFs investing in securities of residential/ real estate companies, stage of project development, sales track record, execution record of the developer, collateral cover offered on securities, coupon structure on underlying securities, development rights on property, escrow mechanism for project cashflows, guarantees offered by promoters, etc shall be considered.

v. **Allocation of portfolio across types of securities**: The allocation shall be as follows:

Security	Allocation %
Debt and debt related securities	Up to 100% of corpus
AIFs investing in debt securities of real estate companies	Up to 100% of corpus
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

vi. **Benchmark:** CRISIL Credit Index
CRISIL Credit Index covers short to medium term paper (avg duration of 2-2.5 years). The index allocates 50% weightage towards A rated indices and act as a broad-based composite index for the fund.

vii. **Indicative tenure or investment horizon**: Minimum 5 years from the date of initial investment

viii. **Risks associated with the investment approach**:

- Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
- Investments in securities are subject to market a risk, which includes price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- Rental income of the property proposed to be purchased or purchased under this portfolio/strategy may be reduced or stopped after completion of existing lease agreement with Lessee or termination of lease agreement by lessee. Identifying new lessee and negotiating with lessee is responsibility of SPV.
- Portfolio will predominantly consist of securities from companies/entities engaged in real estate sector. These Securities may not be liquid or listed therefore investors will not find an available market to sell these securities in case they require funds at an early date.
- Risk associated with investments in securities of companies / entities in real estate sector;
- Any failure on the part of the Investee Company itself to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of development projects that can be undertaken by it and thereby affect its business prospects, financial condition and results of operations;
- Investee Companies ability to develop and construct projects profitably is dependent upon their ability to source adequate building supplies for use by their construction contractors. Any shortage may affect the business prospects;
- Acquiring interests in companies which holds land involves a substantial degree of risk as these properties may be subject to various encumbrances;
- Title Insurance is not commercially available in India to guarantee title or development rights in respect of land and accordingly investee companies may face legal disputes in respect of land title, which can take several years and considerable expense to resolve;
- Market Trading/ Liquidity Risks: Portfolio Investments in listed securities are subject to price fluctuation on daily basis. The volatility in the value of instruments is due to various micro and macroeconomic factors such

as economic and political developments and other market factors affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of the portfolio.
- Force Majeure: If for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.
- Exit is subject to availability of liquidity. 360 ONE Asset Management Ltd or any of its group companies and associates under no circumstances will be liable or bound to create liquidity for its clients. The amount received on account closure/ withdrawal of funds is also subject to the then prevailing interest rate and credit market situation.
- Valuation: For unlisted shares, valuation of the shares may not be available daily or on a regular basis. 360 ONE AMC does not have any responsibility for re-valuation of Securities.
- Investment in securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity

ix. **Other important notes, if any**
In line with SEBI guidelines, the strategy doesn't intend to invest in unlisted securities. Any references in the investment approach description related to unlisted securities shall be for existing investments of existing clients.

➢ **Lease Rent Discounting/ Pre-leased Rental Strategy: (**Managed by Mr. Saurabh Gupta)
Note: The strategy is not accepting fresh investments by clients.

i. **Strategy**: Equity

ii. **Investment objective**: The objective of the investment approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. Under this portfolio investment will be made in shares of unlisted companies on private placement basis. These Companies shall invest in the commercial properties which are already given on lease and earning rental income. Risk related to land acquisition and development risk are mitigated through this investment type since the asset is ready and income yielding. An increase in rentals and appreciation in value of property may positively impact the yield of the investment.

iii. **Description of types of securities**: Equity and equity related instruments and Liquid schemes of Mutual Funds

iv. **Basis of selection of such types of securities as part of the investment approach:**
For security selection, the portfolio manager shall track commercial real estate scenario in commercial micro-markets in multiple cities with ample demand and supply for rental properties. Further, quality of profile of tenants, area in the property for leasing, grade of the commercial property, quality of the commercial property in terms of construction and maintenance, connectivity and underlying leasing terms (lock-in, etc.) also shall be monitored for making real estate investments.

v. **Allocation of portfolio across types of securities**: The allocation shall be as follows:

Security	Allocation %
Equity	Up to 100% of corpus
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

vi. **Benchmark:** S&P BSE 500 TRI
S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vii. **Indicative tenure or investment horizon**: Minimum 5 years from the date of initial investment

viii. **Risks associated with the investment approach**:

a. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.

b. Investments in securities are subject to market a risk, which includes price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

c. Rental income of the property proposed to be purchased or purchased under this portfolio/strategy may be reduced or stopped after completion of existing lease agreement with Lessee or termination of lease agreement by lessee. Identifying new lessee and negotiating with lessee is responsibility of SPV.

d. Portfolio will predominantly consist of securities from companies/entities engaged in real estate sector. These Securities may not be listed therefore investors will not find an available market to sell these securities in case they require funds at an early date.

e. Risk associated with investments in securities of companies / entities in real estate sector;
   - Any failure on the part of the Investee Company itself to identify and acquire suitable parcels of land for development in a timely manner may reduce the number of development projects that can be undertaken by it and thereby affect its business prospects, financial condition and results of operations;
   - Investee Companies ability to develop and construct projects profitably is dependent upon their ability to source adequate building supplies for use by their construction contractors. Any shortage may affect the business prospects;
   - Acquiring interests in companies which holds land involves a substantial degree of risk as these properties may be subject to various encumbrances about the company and the title to its properties;
   - Title Insurance is not commercially available in India to guarantee title or development rights in respect of land and accordingly investee companies may face legal disputes in respect of land title, which can take several years and considerable expense to resolve;

f. Market Trading/ Liquidity Risks: Portfolio Investments in listed securities are subject to price fluctuation on daily basis. The volatility in the value of instruments is due to various micro and macroeconomic factors such as economic and political developments and other market factors affecting the securities markets. This may have adverse impact on individual securities/sector and consequently on the NAV of the portfolio.

g. Force Majeure: If for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.

h. Exit is subject to availability of liquidity. 360 ONE Asset Management Ltd or any of its group companies and associates under no circumstances will be liable or bound to create liquidity for its clients. The amount received on account closure/ withdrawal of funds is also subject to the then prevailing interest rate and credit market situation.

i. Valuation: For unlisted shares, valuation of the shares may not be available daily or at such frequency. 360 ONE AMC does not have any responsibility for re-valuation of Securities.

ix. Other important notes, if any

In line with SEBI guidelines, the strategy doesn't intend to invest in unlisted securities. Any references in the investment approach description related to unlisted securities shall be for existing investments of existing clients.

➢ **<u>360 ONE Emerging Star Portfolio (Formerly known as IIFL Emerging Star Portfolio)</u>: (**Managed by Mr. Nishant Vass)

i) Strategy: Equity

ii) Investment objective: The investment objective is to generate long term capital appreciation for investors from a portfolio of Mid & Small cap stocks. The investment strategy of the Portfolio will be to invest in companies & sectors that are available at significant discount to their intrinsic value and provide earnings visibility. Portfolio Manager seeks to invest in companies with a Bottom-Up approach which includes Quality management, Strong business model, Consistent growth, Reasonable valuation, etc. The Portfolio will be taking a concentrated position in stocks and sectors and will endeavour to strategically change allocation between sectors depending on changes in the business cycle.

iii) **Description of types of securities:** Equity and equity related instruments and Liquid schemes of Mutual Funds

iv) **Basis of selection of such types of securities as part of the investment approach:**
Portfolio manager shall employ fundamental analysis for each of the equity securities in which the portfolio invests. Further, the portfolio manager would look for companies with a Bottom-Up approach which includes Quality management, Strong business model, Consistent growth, Reasonable valuation, etc. Depending on market conditions, may also choose to invest in liquid schemes.

v) **Allocation of portfolio across types of securities**:

Security	Allocation %
Equity and equity related instruments	Upto 100%
Liquid schemes	As per portfolio manager's discretion

vi) **Benchmark:** S&P BSE 500 TRI

S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vii) **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 24 months

viii) **Risks associated with the investment approach**:

a) Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
b) Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the value of the Portfolio.
c) Force Majeure: If for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.
d) Investments in securities are subject to market risk, which includes price fluctuations risk. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

- **<u>360 ONE Phoenix Portfolio (Formerly known as IIFL Phoenix Portfolio)</u>:** (Managed by Mr. Nishant Vass)

  i. **Strategy**: Equity

  ii. **Investment objective**: The objective of the investment approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The investment strategy is to invests in businesses having long-term track record where profitability and growth may have been impacted by short term cycles. The investment manager would target such opportunities having long-term mean reversion capability, having potential for sharp improvement in fundamentals.

iii. **Description of types of securities**: Equity and Liquid schemes of Mutual Funds

iv. **Basis of selection of such types of securities as part of the investment approach:**
The following is the stock selection criteria.

1. Upgrade in quadrant (SCDV)
2. Lower profitability vs historical trends
3. Proven track record and capital efficiency (ROE > 15%)
4. Trading at a discount to historical valuations
5. Changes in management / ownership
6. Forensics/ Strong governance
7. Stocks where price correction has occurred

v. **Allocation of portfolio across types of securities**: The allocation shall be as follows:

Security	Allocation %
Equity	Up to 100% of corpus
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

vi. **Benchmark:** S&P BSE 500 TRI
S&P BSE 500 TRI Index is a broad-based diversified index and its composition broadly represents the strategy's investment universe.

vii. **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

viii. **Risks associated with the investment approach**:

a. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
b. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
c. The value of the Portfolio investments, 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. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

- **Managed Credit Solutions Portfolio:**(Managed by Mr. Sanket Hegde)

i. **Strategy**: Debt

ii. **Investment objective**: Managed Credit Solutions Portfolio will invest primarily in a portfolio of listed Market Linked Debentures (MLDs), Zero Coupon Bonds (ZCBs), debt mutual funds, other listed debt and debt related securities including perpetual bonds, subordinate bonds and permissible money market instruments.

The Strategy may be issued in several series or tranches depending on the availability of instruments in the market. There is a potential for intermediate exit, but the same can happen at the available quote from the market which may be less than the fair value of the security. In any case for intermediate exits, the pay-off calculation will not be applicable.

iii. **Description of types of securities:**
All debt and debt related securities, primarily in MLDs, ZCBs, Debt Mutual Funds, NCDs, subordinate bonds, perpetual bonds, liquid assets of higher quality like treasury bills, TREPs, commercial papers and certificate of deposits and such other permissible money market instruments as may be specified by SEBI from time to time.

iv. **Basis of selection of such types of securities as part of the investment approach:**
Debt and debt related instruments – A generic selection approach for debt instrument would be based on the credit profile of the entity issuing the debt instrument, promotors of the entity which is issuing debt, strong financials and vintage of the parent and issuing entity, asset quality, stable and experienced management, market position, leverage of the entity, regulations relating to investing in sector and industry, etc.

Further the portfolio manager may monitor risk-reward favourability basis the complexity of the structure of NCDs/debt instruments, i.e. plain vanilla or a more complex one. In case the structure of the debt instrument is a complex structure which may further invest into projects or other capital entities, this may yield a higher coupon. In such instruments, covenants of the securities and provisions in the investment memorandum, guarantees (plain vanilla, conditional) and letter of comforts, escrow accounts or reserve accounts for interest payment servicing may also be looked at for investing in the instruments.

Investment in every issuer will be undertaken in compliance with the minimum credit rating required as may be prescribed by SEBI from time to time and subject to approval from an Investment Committee constituted for this purpose.

v. **Allocation of portfolio across types of securities**:

Security	Allocation %
Listed Debt Securities	0-100% of corpus
Debt Mutual Funds	0-100% of corpus

vi. **Benchmark: CRISIL Credit Index**
CRISIL Credit Index covers short to medium term paper (avg duration of 2-2.5 years). The index allocates 50% weightage towards A rated indices and act as a broad-based composite index for the fund.

vii. **Indicative tenure or investment horizon**: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is medium to long term.

viii. **Risks associated with the investment approach**:

(a) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.

(b) The Portfolio Manager may invest in non-publicly offered listed debt securities. This may expose the client's portfolio to liquidity risks.

(c) The value of the Portfolio investments, 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. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

(d) 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.

(e) The name of the Strategy does not in any manner indicate either the quality of the Strategy or its future prospects and the returns.

(f) Force Majeure: If for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.

(g) Risk related to investment in Market Linked Debentures:

- Liquidity or Marketability Risk: Liquidity refers to the ease with which a security can be sold at or near to its valuation. Market linked debentures are structured products and are usually listed. The strategy invests in listed structured products as permitted by the Regulations. However, investors should note there is no active secondary market for market linked debentures in India. Investors should participate if their investment horizon matches the tenure of the debenture. In case of any unforeseen circumstances, if the liquidity is required, investors need to note that it will be available only at the terms of the issuers. The market linked debentures may not be bought back by the issuer at the valuation price suggested by the rating agency. Investors should note that, in case of a scenario where liquidity is required, considering the nature of this instrument, payouts may be impacted due to unavailability of a suitable buyer in the market. In such a case, the Portfolio Manager shall endeavour to liquidate the investment at the earliest and on a best effort basis. The gain/loss upon such liquidation shall be borne by the investor at the time of sale. In case time taken for liquidation exceeds 1 month, the Portfolio Manager may also undertake in-specie distribution of such investment.
- Credit and counterparty risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). The Investments in market linked debentures are subject to credit risk of the issuer of the market linked debentures 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 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 market linked debentures over the life and/or part thereof or upon maturity of the market linked debentures. Even where the market linked debentures 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.
- Credit Rating: The credit rating of the market linked debentures 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.
- Investment in instruments like market linked debentures involves a fair measure of uncertainty of payoffs, as changes in the value of underlying Index can cause asymmetric changes in the market linked debenture value. Investors should note that, in case of a scenario where liquidity is required, considering the nature of this instrument payouts may be impacted due to unavailability of a suitable buyer in the market. The term “capital”, if used, in relation to “Principal Protection” refers to the face value of the market linked debenture. 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.

- Valuation Risk: The Portfolio Manager may get an independent market derived valuation price for the market linked debentures as issued/released by an independent valuation agency(ies) and would rely on an estimate of the fair market value provided by them 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.
- 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 market linked investments like equity index or on single stocks or basket of stocks or mutual funds, futures and options or any other market linked investments. The fluctuations in the equity market can be significant. The returns on the market linked debentures 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 market linked debentures (including the amount if any, payable on maturity, redemption, sale or disposition of the market linked debentures.) The market linked debenture holder may receive no income/return at all on the market linked debentures or less income/return than the market linked debentures holder may have expected or obtained by investing elsewhere or in similar investments.
- Operational and System Risk: 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.
- Issuer Risk: If the issuer decides not to issue / allot the market linked debentures due to such reasons as it deems fit, no issue / allotment of market linked debentures will be made. If the Issuer chooses to revise the issue opening date/issue closing date/ date of allotment of the market linked debentures, the Portfolio Manager retains the right to subscribe/refuse to the market linked debentures as per the new dates.
- At any time during the life of such market linked debentures, the value of the market linked debentures may be substantially less than its investment value. Further, the price of the market linked debentures 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 market linked debentures may modify the terms of issue of market linked debentures, so as to track a different and suitable index and appropriate intimation will be sent to the market linked debentures 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 behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The risk factors mentioned above are not exhaustive and other risks 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.

(h) Risks related to investments in debt and debt related instruments:

- Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- 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. Money market securities, while relatively liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investment(s) incurring losses till the security is finally sold.
- Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and / or interest payments on the security). Because of this risk corporate debt instruments are generally sold at a higher yield compared to similar tenor Government 118 Securities which are sovereign obligations. Normally, the value of a fixed income security will fluctuate

depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

- 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 is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- Currency Risk: The Portfolio Manager may also invest in overseas Fixed Income or other Securities/ instruments as permitted by the concerned regulatory authorities in India. To the extent that the portfolio of the Strategy will be invested in securities/ instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated offering higher yields. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.
- The Portfolio Manager may invest in debt securities in which has also been invested by Alternative Investment Funds (AIFs). The investment would be at terms as may be decided by the Portfolio Manager for the alternative investment funds and the investments of Client would not be at more favourable terms then the alternative investment funds

(i) Risk Factors associated with investments in units of Mutual Fund:

- Strategy Concentration Risk: To the extent that the Strategy may concentrate its investments in the Securities of certain companies/sectors, the Strategy will therefore be subject to the risks associated with such concentration. In addition, the Strategy may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity Securities. Such risks may impact the Strategy to the extent that it invests in particular companies/sectors even in cases where the investment objective is more generic. 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 Strategy.
- Volatility Risk: The equity markets and derivative markets are volatile, and the value of securities, derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Strategy to decrease.
- Operational Risks: The Portfolio Manager may not be able to execute trade as requested by the Clients, including but not limited to scenarios such as; trade failures, any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realization of sale proceeds and the registration of any securities transferred and any delays in receiving cash, temporarily halt in trading activities due to circuit filters, cash required for obligations arising from corporate actions of securities etc.

- **360 ONE Large Value strategy PMS** (Managed by Mr. Nishant Vass)

  i. **Strategy:** Equity

  ii. **Investment objective:** The objective of the Investment Approach is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities by investing in customized deals at attractive valuation backed by robust fundamentals.

  The Investment Approach may be launched in several series or tranches depending on the availability of opportunities in the market.

  iii. **Description of types of securities:** Equity and equity related instruments, Liquid schemes of Mutual Funds and such other securities at the discretion of the Strategy Manager, as permissible under the SEBI Regulations.

iv. Basis of selection of such types of securities as part of the investment approach:
Portfolio Manager shall employ fundamental analysis for each of the equity securities in which the portfolio invests. Further, the Portfolio Manager would look for companies with a bottom-up approach which includes quality management, strong business model, consistent growth, reasonable valuation, etc. Depending on market conditions, the Portfolio Manager may also choose to invest in liquid schemes.

v. Allocation of portfolio across types of securities:

Security	Allocation %
Equity or equity related securities	Up to 100% of corpus
Liquid mutual fund schemes	As per Portfolio Manager's discretion

vi. Benchmark: S&P BSE 500 TRI
S&P BSE 500 TRI Index is a broad-based diversified index, and its composition broadly represents the strategy's investment universe.

vii. Indicative tenure or investment horizon:
Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 48 months.

viii. Risks associated with the investment approach.

1. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
2. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
3. The value of the Portfolio investments, 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. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
4. 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.
5. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may, however, increase the risk of the portfolio. Additionally, the liquidity and valuation of the portfolio investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.
6. Past performance of the Portfolio Manager does not guarantee the future performance.
7. The name of the Strategy does not in any manner indicate either the quality of the Strategy or its future prospects and the returns.
8. Force Majeure: If, for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into,

or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment

D. Co-Investment Portfolio Management Services

i. **Investment Objective**

The main objective of the Co-Investment Portfolio Manager is to act and render co-investment portfolio management services to existing investor of alternative investment funds being managed by the Co-Investment Portfolio Manager and sponsored by same Sponsor.

ii. **Description of types of securities in which Portfolio Manager will invest**

The Co-Investment Portfolio Manager shall invest in Unlisted equity, equity linked instruments, debt or such other form as it deemed appropriate where Category I Alternative Investment Funds and Category II Alternative Investment Funds make investment.

iii. **Investment Approach of the Portfolio Manager**

There shall be no specific investment approach as existing investors of alternative investment fund which are managed by the Co-Investment Portfolio Manager who are desirous to invest in specific unlisted security shall be permitted to invest.

iv. **Terms of Co-Investment**

- The terms of co-investment in an investee company by a co-investor, shall not be more favourable than the terms of investment of the Alternative Investment Fund.
- The terms of exit from the Co-investment in an investee company including the timing of exit shall be identical to the terms applicable to that of exit of the Alternative Investment Fund.
- Early withdrawal of funds by the co-investors with respect to Co-investment in investee companies shall be allowed to the extent that the Alternative Investment Fund has also made an exit from respective investment in such investee companies.

v. **Risks associated with Co-Investments**:

a. Investments in Unlisted securities depends upon the ability of the Co-investment Portfolio Manager to source, select, review/evaluate, complete and realize appropriate investments. Securities investments are prone to volatility and subject to market risks;
b. The Client Portfolio may comprise of investment in unlisted securities and in case of such securities the Co-investment Portfolio Manager's ability, upon Instructions of the Client, to protect the investment or seek returns or create liquidity when required may be limited.
c. The Co-investment Portfolio Manager may also invest in Portfolio Entity/ies which are new or recently established which may provide limited liquidity.
d. In case of in-specie distribution of the Securities by the Co-investment Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such Securities for which there may not be a readily available public market.
e. Co-investment Portfolio Manager's investment suggestions may not always be profitable, as actual market movements may be at variance with anticipated trends.
f. The Client may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
g. The Co-Investment Portfolio Manager has no previous experience/track record in the field of co-investment portfolio management services and has obtained a license to function as a Co-Investment Portfolio Manager. However, the Principal Officer, Directors and other key management personnel of the Co-Investment Portfolio Manager have extensive individual experience.

6. **Policy for utilisation of services**

The Portfolio Manager may utilize the services of the Sponsor, Group Companies and / or any other subsidiary or associate company of the Sponsor established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

7. Policy for investments in Associate Companies / Related Parties of the Portfolio Manager:

The Portfolio Manager may invest in shares, units of mutual funds, Alternative Investment Funds, debt, deposits and other financial instruments issued or managed by the Portfolio Manager or any of the group / Associate companies / related parties of the Portfolio Manager. Such investments shall be in accordance with the regulations and circulars issued by SEBI in this regard from time to time.

In accordance with Regulation 24(3A) of SEBI (PMS) Regulations read with SEBI circular dated August 26, 2022 and such other circulars / guidelines that may be issued from time to time, following limits / process shall be followed with respect to investments in Associate Companies / Related Parties:

i) Portfolio Manager shall invest upto 30% of Clients asset under management in securities issued by Associate Companies / Related Parties.
ii) The investments shall be made within the following limits specified by SEBI from time to time:

Type of securities	Limits for investment in single Associate / Related Party (as a percentage of Client's AUM)	Limit for investment across multiple Associates / Related Parties (as a percentage of Client's AUM)
(A) Equity securities	15%	25%
(B) Debt and hybrid* securities	15%	25%
(A) + (B)	30%	

**Hybrid securities shall mean to include units of Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), convertible debt securities and other securities of like nature.*

iii) The aforestated limit shall be applicable only to direct investments by the Portfolio Manager in equity and debt / hybrid securities of its own Associate Company / Related party.
iv) No investment shall be made in unrated debt securities of Associate companies / Related Parties.
v) The limit stated above shall not be applicable for investments in mutual funds managed by any Associate Company / Related Party and /or itself by the Portfolio Manager.
vi) Prior one-time consent shall be sought from the Clients by the Portfolio Manager for making any investment in securities issued by Associate Company / Related Party.
vii) Any passive breach shall be rectified within a period of 90 days from the date of breach.
viii) However, a client may provide prior positive consent to the Portfolio Manager for waiver from rebalancing of the portfolio to rectify any passive breach of investment limits.
ix) Further, in line with the aforesaid circular, a client also has an option to specify a limit lower than the limits prescribed hereinabove.

The above limits shall not be applicable to Co-investment Portfolio Management Services, clients availing only advisory services and client categories who in turn manage funds under government mandates and/or governed under specific Acts of state and/or parliament.

8. Details of investments in the securities of Associates/Related Parties of the Portfolio Manager

In accordance with Regulation 22 (4) (da) of the Regulations, details of investments in the securities of Associates and Related Parties of the Portfolio Manager are as follows:

Sr. No.	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	percentage of total AUM* as on last day of the previous calendar quarter**
1	Customised Discretionary Portfolio – Multi Asset^	Samasta Microfinance Limited	1.94	3.19	13.58

**Total AUM of Customised Discretionary Portfolio – Multi Asset has been considered.*
***Data as on September 30, 2023.*
^With effect from April 1, 2023, Customised Discretionary Portfolio has been divided into 3 sub-approaches, viz. Customised Discretionary Portfolio - Debt, Customised Discretionary Portfolio - Equity, Customised Discretionary Portfolio - Multi-Asset.

The Portfolio Manager shall ensure that in case of any material changes in the information provided in this section, the same is updated in this Disclosure Document and uploaded on the website of the Portfolio Manager within 7 days.

9. Details of the Diversification Policy of the Portfolio Manager

This policy has been laid down to ensure the risk is spread across different asset classes, issuers and time horizon within the framework laid down in the specific investment approach.

Policy approach

Portfolio Manager shall follow an approach of 'don't put all your eggs in one basket' and will endeavour to maintain a balanced mix of assets to diversify investments as per the investment objective and investment approach stated herein. This shall assist the Portfolio Manager to manage investment risk over a period of time.

In addition to the above, the Portfolio Manager has an investible universe of securities which is thoroughly backed by research and the portfolio construction shall be limited to the mentioned investment universe. Accordingly, it shall be ensured that appropriate diversification across securities is maintained as per scope permitted under the SEBI Regulations.

The Portfolio Manager shall periodically review the portfolios to maintain appropriate portfolio mix depending upon investment goals, market conditions, risk tolerance and liquidity requirement to ensure diversification and meet long term goals.

Type of Securities where investments may be made by the Portfolio Manager under any of the abovementioned Services

i. shares, scrips, stocks, bonds, debentures, debentures stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
ii. derivative(s);
iii. units or any other instrument issued by any collective investment scheme;
iv. security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
v. Government securities;
vi. units or any other such instrument issued to the investors under any scheme of mutual fund, Alternative Investment Fund, venture capital fund; However, the investment in units of Mutual funds is done only through Direct Plan.
vii. Any certificate or instrument (by whatever name called), issued to any investor by any issuer being a special purposes distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;

viii. such other instruments as may be declared by the Central Government to be securities;
ix. Rights or interest in securities;

The abovementioned securities are illustrative in nature. Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, units of alternative investment funds, ETFs and other eligible modes of investment as may permitted by the Regulations from time to time. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds. Investments can be made in listed, unlisted (as permissible under SEBI regulations), convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc. The debt category will include all types of debt securities including but not limited to Securitised Debt, Pass Through Certificates, Debentures (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked), Bonds, Government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, bank fixed deposits, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, units of SEBI registered alternative investment funds & Venture Capital Funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

Following limits shall be followed with respect to investment in debt and hybrid securities:

i) Portfolio Managers shall not invest Clients' funds in unrated securities of Associate Companies/Related Parties.
ii) Under Discretionary Portfolio Management Services, no investment shall be made in below investment grade securities;
iii) Under Non-Discretionary Portfolio Management Services, no investment shall be made in below investment grade listed securities. However, Portfolio Manager may invest upto 10% of Clients asset under management in unlisted, unrated debt and hybrid securities of issuers other than Associate Companies / Related Parties.

   Such investment in unlisted, unrated debt and hybrid securities shall be within maximum limit of 25% for investment in unlisted securities as stated under Reg.24(4) of the Regulations.
iv) Investments of clients' funds shall be basis credit rating as may be specified by SEBI from time to time.

The afore stated cap on investment in unlisted, unrated debt and hybrid securities does not apply to investments under Co-investment portfolio management services and advisory services and for client categories who in turn manage funds under government mandates and/or governed under specific acts or state and/or parliament.

All investments in debt & hybrid securities under all the strategies mentioned herein shall be in compliance with the aforementioned provisions and SEBI circulars issued in this regard from time to time.

Asset Classes for investment will always be subject to the scope of investments as may be agreed upon between the Portfolio Manager and the Client by way of any agreement, explicit or implied including this disclosure document, addenda thereof, other documents and communications in writing and emails duly authenticated and exchanged between the client and 360 ONE AMC.

10. Risk Factors:

General Risk Factors:

A. Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

B. The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
C. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
D. The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the marketplace and industry specific and macro-economic factors.
E. The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.
F. The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
G. Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
H. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities, as permitted under the regulations. This may expose the client's portfolio to liquidity risks.
I. Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/ counter party.
J. Portfolio services using derivative/ futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mispricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and future and options market is nascent in India.
K. The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
L. Investment decisions made by the Portfolio Manager may not always be profitable.
M. Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
N. The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
O. In case of investments in schemes of Mutual Funds/Alternative Investment Funds &Venture Capital Funds, the Client shall bear the recurring expenses and performance fee, if any, of the Portfolio Management Services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
P. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
Q. The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the clients' assets to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks.
R. The portfolio manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client's portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the Company

   The Portfolio Manager may utilize the services of the group companies and / or any associate company established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

S. Pandemics, Epidemics and Other Health Risks: A pandemic, epidemic or other public health crisis could adversely impact Portfolio Manager and its portfolio companies. The same may have a material adverse impact on portfolio companies, local economies in the affected jurisdictions and also on the global economy, as cross-border commercial activity and market sentiment may get impacted by the outbreak In addition to these developments having adverse consequences for the portfolio companies and other issuers in or through which the Client invests and the value of the Client's investments therein, the operations of the Portfolio Manager may be adversely impacted, including through quarantine measures, business closures and suspensions, travel restrictions and health issues impacting key personnel or service providers of Portfolio Manager. Any of the foregoing events could materially and adversely affect the Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives.

Such a situation may contribute to, volatility in financial markets. It has also had a material and negative impact on certain economic fundamentals and consumer confidence, and on many companies. No assurance can be given as to the long-term effect of these events on the value of the Client's investments. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or other outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to the performance of the Portfolio Manager.

Specific Risk Factors:

The investments, presently recommended by the Portfolio Manager are subject to following risk factors:

- **Market Risk**
  The Net Asset of the portfolio will react to the securities market movements. The investor could lose money over short periods due to fluctuation in the NAV of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.

- **Market Trading Risks**
  Absence of Prior Active Market: Although securities are listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.

  Lack of Market Liquidity:
  Trading in securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in particular security is not advisable. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.

  ETF may Trade at Prices other than NAV:
  ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.

- **Regulatory Risk**
  Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of marker maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. Because of halt of trading in market the Portfolio may not be able to achieve the stated objective.

- **Asset Class Risk**
  The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.

- **Performance Risk**

Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.

- **Interest Rate Risk**
  Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of Mutual Fund in which the portfolio manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.

- **Credit Risk**
  Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.

- **Model Risk**
  Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

- **Investments in Derivative Instruments**
  As and when investments are made in derivative instruments, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires 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. 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 derivative contract. However, 360 ONE AMC shall not leverage the portfolio for investment in derivatives. Other risks in using derivatives include but are not limited to:

  (a) Credit Risk - this occurs when a counterparty defaults on a transaction before settlement and therefore it involves negotiation with another counter party, at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement, but one takes the performance risk on the exchange.

  (b) Market Liquidity risk where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.

  (c) Model Risk is the risk of mis-pricing or improper valuation of derivatives.

  (d) Basis Risk arises when the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets. The risk of loss associated with futures contracts is potentially unlimited due to the low margin deposits required and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a derivative contract may result in an immediate and substantial loss or gain. However, the Portfolio Manager will not use derivative instruments, options or swap agreements for speculative purposes or to leverage its net assets and will comply with applicable SEBI Regulations. There may be a cost attached to buying derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares. The possible lack of a liquid secondary market for a derivatives contract may result in inability to close the derivatives positions prior to their maturity date.

- **Illiquidity Risk**

The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable. There can be no assurance that the requirements of the securities market necessary to maintain the listing of specified debt security will continue to be met or will remain unchanged. In such a situation, the portfolio manager at his sole discretion will return the securities to the Client.

- **Zero Return Risk**
  Returns on investments undertaken in structured securities would depend on occurrence /non-occurrence of the specified event. Thus, returns may or may not accrue to an investor depending on the occurrence/non-occurrence of the specified event.

- **Redemption Risk**
  The payoffs as envisaged in structured securities are such that the Client may lose a part/entire amount invested.

- **Risk of Real Estate investment**
  Investment in securities of companies investing in real estate is subject to risk of fluctuations in real estate prices. Portfolio returns are dependent on real estate market. Investor could lose money if real estate prices go down at the time of maturity.

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. 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.

Specific Risk factors & Disclosures pertinent to Structured Notes & Securitised debt instruments

a. Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

b. Securitized transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the investor payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

c. The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.

d. The Issuer of equity index linked securities or any of its Agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of 'The Issuer of index linked securities" or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of 'The Issuer of index linked securities" or any of its Agents;

e. The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;

f. The returns on the Structured securities, primarily are linked to the Nifty 50 Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments.

g. The return on investment in securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly.

h. In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities / AMC;

i. There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity, of the securities.

j. At any time during the life of such securities, the value of the securities may be substantially less than its redemption value. Further, the price of the securities may go down in case the credit rating of the Company or issuer goes down.

k. The securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.

l. The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.

m. The Issuer of equity index linked securities or any of its Agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

11. Client Representation:

(i) Details of clientele and funds managed

As on November 30, 2023

Category of clients	No. of Accounts	Funds managed (Rs. Crores) In Discretionary Services	Funds managed (Rs. Crores) In Non-Discretionary Services

Associates/group companies	-	-	-
Others			
Individual	6,518	4,598.32	-
Corporate	420	13,627.86	-
Total	**6938**	**18,226.19**	**-**

As on March 31, 2023

Category of clients	No. of Accounts	Funds managed (Rs. Crores) In Discretionary Services	Funds managed (Rs. Crores) In Non-Discretionary Services
Associates/group companies	-	-	0
Others			
Individual	7,042	4,144.99	0
Corporate	458	10,932.19	0
Total	**7500**	**15,077.18**	0

As on March 31, 2022

Category of clients	No. of Accounts	Funds managed (Rs. Crores) In Discretionary Services	Funds managed (Rs. Crores) In Non-Discretionary Services
Associates/group companies	0	0	0
Others			
Individual	7126	4558.76	0
Corporate	444	10038.26	0
Total	**7570**	**14597.02**	**0**

As on March 31, 2021

Category of clients	No. of Accounts	Funds managed (Rs. Crores) In Discretionary Services	Funds managed (Rs. Crores) In Non-Discretionary Services
Associates/group companies	0	0	0
Others			
Individual	6937	3409.05	0
Corporate	376	4446.99	0
Total	**7313**	**7856.05**	**0**

(ii) Disclosure in respect of transactions with related parties pertaining by the Portfolio Manager as per audited Balance sheet as on March 31, 2023

a. List of Related Parties:

Nature of relationship	**Name of party**
Director/ Key Managerial Personel	Mr. Anup Maheshwari, Whole-Time Director
	Dr. S. Narayan –Non-Executive Director
	Mr. Kumar Sharadindu Independent Non Executive Director
	Ms. Smita Aggarwal Independent Non Executive Director**
	Mr. Ravi Sethurathnam, Independent Non Executive Director
	Karan Bhagat- Non- Executive Director
	Priya Biswas, Chief Financial Officer
	Chinmay Joshi, Company Secretary
	Mr. Manoj Shenoy, resigned w.e.f August 17, 2022
Holding Company	360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)
Fellow Subsidiaries	360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited) #
	360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)
	360 ONE Portfolio Managers Limited (Formerly known as IIFL Wealth Portfolio Managers Limited)
	360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)
	IIFL Wealth Distribution Services Limited (Formerly known as IIFL Distribution Services Limited) #
	360 ONE IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)
	IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited) (IIFL Wealth Capital Markets Limited merged with 360 ONE Prime Limited w.e.f. 14th March 2023) #
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited) (IIFL Wealth Altiore Limited merged with 360 ONE WAM Limited w.e.f. 3rd March, 2023)
	360 One Foundation (Formerly known as IIFLW CSR Foundation)
	360 ONE Private Wealth (Dubai) Private Limited (Formerly known as IIFL Private Wealth Management (Dubai) Limited)
	360 ONE INC. (Formerly known as IIFL Inc.)
	360 ONE Asset Management (Mauritius) Limited (Formerly known as IIFL Asset Management (Mauritius) Limited)
	360 ONE CAPITAL PTE. Limited (formerly known as IIFL Capital Pte. Limited)
	360 ONE Capital (Canada) Limited (Formerly known as IIFL Capital (Canada) Limited)
Other Related Parties	IIFL Management Services Limited
	IIFL Securities Limited (Formerly known as India Infoline Limited)

* The above list includes related parties with whom the transactions have been carried out during the year.
** Resigned w.e.f. June 30, 2023.
# Includes transactions & balances with "IIFL Wealth Capital Markets Ltd" and "360 ONE Prime Ltd" (Formerly known as IIFL Wealth Prime Ltd) pertaining to its Distribution Business which has demerged to IIFL Wealth Distribution Services Ltd vide a Composite Scheme of Arrangement approved by National Company Law Tribunal, Mumbai Bench ("NCLT")[order date January 27,2023 and effective date March 14, 2023 and appointed date is April 1, 2021]

b. Significant Transactions with Related Parties:

(₹ Crore)

Nature of Transaction	Director/Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
Purchase of Investment					
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)			8.21		**8.21**
			-		
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	**-**
	-	(25.99)	-	-	**(25.99)**
Sale of Investments					-
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	31.77	-	**31.77**
	-	-	-	-	**-**
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	15.88	-	-	**15.88**
	-	(89.37)	-	-	**(89.37)**
Dividend Paid					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	261.93	-	-	**261.93**
	-	(179.76)	-	-	**(179.76)**
ICD Given					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	**-**
	-	(28.00)	-	-	**(28.00)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-	**-**
	-	-	(6.00)	-	**(6.00)**
360 ONE Investment Adviser and Trustee Services Limited	-	-	-	-	**-**

(Formerly known as IIFL Investment Adviser and Trustee Services Limited)	-	-	-	-	**-**
360 ONE Asset Trustee Limited (Formerly IIFL Trustee Limited)	-	-	-	-	**-**
	-	-	(0.17)	-	**(0.17)**
ICD Received back					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	**-**
	-	(28.00)	-	-	**(28.00)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-	**-**
	-	-	(6.00)	-	**(6.00)**
360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
360 ONE Asset Trustee Limited (Formerly IIFL Trustee Limited)	-	-	-	-	**-**
	-	-	(0.17)	-	**(0.17)**
ICD Taken					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	347.00	-	-	**347.00**
	-	(237.50)	-	-	**(237.50)**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	150.00	-	**150.00**
	-	-	(134.00)	-	**(134.00)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	(50.00)	-	**(50.00)**
ICD Repaid					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	326.00	-	-	**326.00**
	-	(187.50)	-	-	**(187.50)**

360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	150.00	-	**150.00**
	-	-	(134.00)	-	**(134.00)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	(50.00)	-	**(50.00)**
Interest Income					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	**-**
	-	(0.01)	-	-	**(0.01)**
360 ONE Asset Trustee Limited (Formerly IIFL Trustee Limited)	-	-	-	-	**-**
	-	-	(0.00#)	-	**(0.00#)**

(₹ Crore)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
Interest Income on NCD					
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-	**-**
	-	-	(4.66)	-	**(4.66)**
Interest Expenses					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	1.28	-	-	**1.28**
	-	(0.97)	-	-	**(0.97)**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.08	-	**0.08**
	-	-	(0.42)	-	**(0.42)**
Fees/Expenses incurred/Reimbursed For Services Procured					-
IIFL Securities Limited	-	-	-	16.94	**16.94**
	-	-	-	(7.39)	**(7.39)**
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	3.08	-	-	**3.08**
	-	(2.78)	-	-	**(2.78)**
360 ONE Distribution Services Limited [Formerly known as	-	-	24.02	-	**24.02**

IIFL Wealth Distribution Services Limited]	-	-	(5.45)	-	**(5.45)**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-	**-**
	-	-	(12.94)	-	**(12.94)**
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	-	-	**-**
	-	-	(0.09)	-	**(0.09)**
360 ONE Private Wealth (Dubai) Limited (Formerly IIFL Private Wealth Management (Dubai) Limited)	-	-		-	**-**
	-	-	0.63		**0.63**
IIFL Capital Pte Limited	-	-	7.48	-	**7.48**
	-	-	(7.68)	-	**(7.68)**
				-	**-**
<u>Corporate Social Responsibility Expenses</u>					**-**
360 ONE Foundation (Formerly IIFLW CSR Foundation)	-	-	2.64	-	**2.64**
	-	-	(1.67)	-	**(1.67)**
<u>Fees Earned including Brokerage for services rendered</u>					-
					-
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	3.00	-	**3.00**
	-	-	(7.48)	-	**(7.48)**
Dr. S. Narayan	0.04				
	-				
<u>Allocation / Reimbursement of expenses Paid</u>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	2.20	-	-	**2.20**
	-	(3.00)	-	-	**(3.00)**
360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited]	-	-	-	-	**-**
	-	-	(0.04)	-	**(0.04)**

Allocation / Reimbursement of expenses Received					
Other funds received					
360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited]	-	-	0.22	-	**0.22**
	-	-	(0.01)	-	**(0.01)**
360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.06	-	**0.06**
	-	-	(0.01)	-	**(0.01)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	0.04	-	**0.04**
	-	-	(0.02)	-	**(0.02)**
360 ONE Asset Trustee Limited (Formerly IIFL Trustee Limited)	-	-	0.04	-	**0.04**
	-	-	(0.03)	-	**(0.03)**
Other funds Paid					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	6.35	-	-	**6.35**
	-	(11.49)	-	-	**(11.49)**
IIFL Management Services Limited	-	-	-	-	**-**
	-	-	-	(0.02)	**(0.02)**
360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited]	-	-	0.10	-	**0.10**
	-	-	-	-	**-**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	-	-	**-**
	-	-	(0.27)	-	**(0.27)**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.18	-	**0.18**
	-	-	(0.28)	-	**(0.28)**

(c) Amount due to / from related parties (Closing Balances):

(₹ Crore)

Nature of Transaction	Key Managerial Person	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
Sundry payables					-
					-
IIFL Securities Limited	-	-	-	0.08	**0.08**
	-	-	-	(2.30)	**(2.30)**
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	2.39	-	-	**2.39**
	-	(2.82)	-	-	**(2.82)**
360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited]	-	-	7.40	-	**7.40**
	-	-	(1.88)	-	**(1.88)**
360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)	-	-	-	-	**-**
	-	-	-	-	**-**
IIFL Management Services Limited	-	-	-	-	**-**
	-	-	-	(0.02)	**(0.02)**
IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited)	-	-	-	-	**-**
	-	-	(0.03)	-	**(0.03)**
IIFL Capital Pte Limited	-	-	1.86	-	**1.86**
	-	-	(1.92)	-	**(1.92)**
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.00#	-	**0.00**
	-	-	(3.99)	-	**(3.99)**
360 ONE Private Wealth (Dubai) Limited (Formerly IIFL Private Wealth Management (Dubai) Limited)	-	-	0.32	-	**0.32**
	-	-	-	-	**-**
Sundry receivables					-
IIFL Wealth Capital Markets Limited	-	-	-	-	**-**
	-	-	-	-	**-**
	-	-	0.00#	-	**0.00#**

360 ONE Asset Trustee Limited (Formerly IIFL Trustee Limited)	-	-	(0.00#)	-	**(0.00#)**
360 ONE Portfolio Managers Limited (Formerly IIFL Wealth Portfolio Managers Limited)	-	-	0.50	-	**0.50**
	-	-	(1.53)	-	**(1.53)**
Mr. Subbaraman Narayan	0.01	-			
	-	-			
ICD Taken:					-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	71.00	-	-	**71.00**
	-	(50.00)	-	-	**(50.00)**

12. Financial performance of Portfolio Manager based on audited financial statements for the immediately preceding three years

Financial highlights of 360 ONE Asset Management Limited

Particulars	For the Financial year ended March 31, 2023	For the Financial year ended March 31, 2022	For the Financial year ended March 31, 2021
	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)
Revenue from Operations	541.19	432.73	252.45
Profit before tax	335.67	222.34	109.79
Less: Tax Expenses	83.70	57.40	28.30
Profit/(Loss) after tax	251.97	164.94	81.50

13. Portfolio Management Performance:

Discretionary Services - Portfolio Management Services commenced in the month of December 2014. Please find enclosed as **Annexure B*** the Portfolio Performance for the period ended November 30, 2023.

**Performance calculated based on TWRR method.*

Non-Discretionary Services - In the non-discretionary services, the final decision of investment rests with the client. The clients determine which securities to invest into as well as the asset allocation within the overall investment amount under the PMS. The performance of the Portfolio Managers does not depend merely on the Portfolio Manager but also on the decision by the client in this regard. Considering the nature of services, the performance record of the Portfolio Manager has not been computed.

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

14. Audit Observations

There have been no material adverse observations reported by the statutory auditor in preceding 3 years.

15. Nature of Costs and Expenses for Clients:

The following are indicative types of costs and expenses for clients availing the Portfolio Management services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and the agreements in respect of each of the services availed at the time of execution of such agreements. With Effect from October 1, 2020, operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

a. **Management Fees:** Professional charges relate to the Portfolio management services offered to clients. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be return based or a combination of any of these. Return based fees shall be calculated on "High Water Mark Principle".

b. **Custodian/Depository Fees:** The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization, rematerialisation and other charges in connection with the operation and management of the depository accounts.

c. **Registrar and transfer agent fee:** Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

d. **Brokerage and transaction costs:** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

e. **Certification and professional charges:** Charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.

f. **Incidental Expenses:** Charges in connection with the courier expenses, stamp duty, service tax, depository charges, postal, telegraphic, opening and operation of bank accounts etc.

g. **Other charges:** As may be mutually agreed between client and Portfolio Manager.

Manner of payment:
Client shall pay by way of cheque/ DD/ Debit to the client portfolio account, as per the respective fee schedule applicable to the portfolio services opted by the client.

EXPENSES FOR CLIENTS

Particulars	Charges	Remarks
Management fee	Fixed Fee: Upto 2.50% p.a.	
	Performance Linked Fee as permitted under the Regulations upto 30% of returns	
Operating Expenses*	Up to 0.50% Per Annum of client's daily average AUM	Charged at actual basis
Brokerage & Transaction costs	At actuals	As applicable from time to time

*Operating expenses include Custody Charges, Audit charges etc and are charged at actual.

16. Taxation:

Income Tax

1. **General:**
In view of the individual nature of tax consequences, each Client is advised to consult his or her tax advisor with respect to the specific tax consequences arising to him/her from participation in any of the investments. The tax implications given below are based on the existing provisions of the Income tax Act, 1961 ('the IT Act') and rules made thereunder. The Portfolio Manager accepts no responsibility for any loss suffered by any Investor as a result of current taxation law and practice or any changes thereto.

2. **Tax Rates:**
The rates specified in this section pertain to the financial year ('FY') 2023-24 as per the Finance Act, 2023 ('FA 2022). The rates are exclusive of Surcharge and Health and Education cess as leviable.

2.1. Tax rates for specific type of assesses are as below:

Assessee	**% of Income Tax (excluding applicable surcharge and health and education cess)**
Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI'), artificial juridical person ('AJP')	Applicable slab rates

Domestic Company having turnover/gross receipt not exceeding INR 400 crore in FY 2019-20	25%
Partnership Firm [including Limited Liability Partnership ('LLP')]; and Domestic Company having turnover/gross receipt exceeding INR 400 crore in FY 2019-20	30%
Foreign Company	40%

Note: The tax rates for domestic companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22%and 15% respectively, subject to fulfilment of the prescribed conditions.

2.2. The slab rates for individuals / HUF / AOP / BOI / AJP are as follows:

Total Income [Refer Notes (a), (b) and (c)]	Tax rates [Refer Note (e)]
Up to INR 2,50,000	Nil
From INR 2,50,001 to INR 5,00,000	5%
From INR 5,00,001 to INR 10,00,000	20%
INR 10,00,001 and above	30%

a) As per the new section 115BAC in the IT Act, the Individual and HUF will have an option to pay tax on its total income at the reduced slab rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.
b) As per the provisions of section 87A of the IT Act, an individual resident is entitled to a tax rebate of INR 12,500 or 100% of income-tax, whichever is less. The rebate shall be available to individual taxpayers having total income upto INR 5,00,000. However, for assessee chargeable to tax under section 115BAC(1A) of the IT Act, rebate should be to the extent of INR 25,000 where total income does not exceed INR 7,00,000.
c) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR. 3,00,000.
d) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR. 5,00,000.
e) Surcharge on income-tax is applicable as stated in para 2.3 below. Additionally, health and education cess, at the rate of 4% is leviable on the aggregate of income-tax and surcharge.

2.3. Surcharge rates are provided below:

Type of Investor	Surcharge* rate as a % of income-tax				
	If income is upto INR 50 lakhs	If income is more than INR 50 lakhs but does not exceed INR 1 Crore	If income exceeds INR 1 Crore but does not exceed INR 2 Crores	If income exceeds INR 2 Crores but does not exceed INR 5 Crores	If income exceeds INR 5 crores
Individual, HUF, AOP, BOI, AJP (Resident & foreign)	Nil	10%	15%	25%	37%

*However, it may be noted that in case the total income includes any income referred to in section 111A or section 112 or section 112A of the IT Act or dividend income from shares, surcharge on such income shall not exceed 15%.

Further, for assessee chargeable to tax under section 115BAC(1A) of the IT Act, surcharge cannot exceed 25%.

Type of Investor	Surcharge* rate as a % of income-tax		
	If income does not exceed INR 1 crore	If income exceeds INR 1 crore but does not exceed INR 10 crore	If income exceeds INR 10 crore
Partnership firm	Nil	12%	12%
Domestic Company (not exercising the option under section 115BAA or section 115BAB of the IT Act) (refer Note 1)	Nil	7%	12%
Foreign Company	Nil	2%	5%

Note: For a Domestic Company exercising the option under section 115BAA / section 115BAB of the IT Act, the rate of surcharge shall be 10% of the income-tax.
*Additionally, health and education cess, at the rate of 4% is leviable on the aggregate of income-tax and surcharge.

3. Tax deduction at source:

If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in this regard.

The income-tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a Permanent Account Number, then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%.

However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents.

4. Advance tax instalment obligations:

It will be the responsibility of the Client to meet the advance tax obligation instalments payable on the due dates prescribed under the IT Act.

5. Tax implications for the Investors:

The following are the various income streams that can arise from securities held under the PMS –

- Dividend income on shares;
- Income distributed by Mutual Funds;
- Interest income on debt securities; and
- Gains on sale of securities; or
- Buy-back of securities held in companies.

5.1. Dividend income on shares

With effect from 1st April 2020, the Indian company declaring dividend would not be required to pay any Dividend Distribution Tax ('DDT') on dividend distributed / paid / declared to its shareholders. The dividend income will be taxable in the hands of the shareholders under section 56 of the IT Act under at the applicable rates [i.e. as per the rates mentioned in paragraphs 12(2.1) & 12(2.2) for residents and at the rate of 20% (plus surcharge and health and education cess) for non-residents (subject to treaty benefits, if any)]. Further, for resident investors, interest expenditure upto 20% of the dividend income shall be allowable as a deduction from the dividend income under section 57 of the IT Act.

Further, the Indian company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors) and at rates in force (in case of payment to non-resident investors), subject to certain exceptions.

Separately, in case of shareholders being domestic companies ('recipient companies') which in turn distribute dividends on or before the specified date, a deduction of dividend received from domestic companies, foreign companies and business trusts to the extent of dividend distributed will be available to the recipient companies while computing their taxable income, as per section 80M of the IT Act

5.2. Income distributed by Mutual Funds.

With effect from 1st April 2020, the mutual funds shall not be liable to pay additional income-tax at the time of distribution of dividends and such dividend shall be taxable in the hands of the investors at the applicable tax rates [i.e. at the rates specified in paragraphs 12(2.1) & 12(2.2) above for residents and at the rate of 20% (plus surcharge and health and education cess) for non-residents (subject to treaty benefits, if any)] for units purchased in foreign currency. Further, for resident investors interest expenditure upto 20% of the dividend income shall be allowable as a deduction from the dividend income.

However, the mutual fund distributing such dividend would be required to deduct tax at source at the rate of 10% (in case of payment to resident investors) and at rates in force (in case of payment to non-resident investors), subject to certain exceptions.

5.3. Interest income on debt securities

Interest income arising on securities could be characterised as 'Income from Other Sources' or 'business income' depending on facts of the case. In either case, interest income should be subject to tax as per the rates mentioned in paragraphs 12(2.1) & 12(2.2) above. In case of non-resident investors, the said rates are subject to the availability of beneficial provisions under the relevant tax treaty, if any.

Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

5.4. Gains on sale of securities

Income arising from the purchase and sale of securities can give rise to either capital gains or business income in the hands of the investor. The issue of characterisation of income is relevant as the income tax computation and rates differ in the two situations.

The characterisation is essentially a question of fact and depends on whether the shares are held as business/ trading assets or as capital assets.

The Central Board of Direct Taxes ('CBDT') has issued a circular[1] which deals with listed shares/ securities which states that:

- Where the assessee opts to treat the listed shares/ securities as stock-in-trade, the income arising from the transfer of such listed shares/ securities would be treated as business income.

[1] Circular no. 6/ 2016 dated February 29, 2016

- If the assessee desires to treat the gains arising from transfer of listed shares/ securities held for a period of more than 12 months as capital gains, the same shall not be put to dispute by the Assessing Officer.

The aforementioned circular shall not apply in a case where the genuineness of the transaction itself is questionable.

The CBDT has issued a letter[2] on characterisation of income from transfer of unlisted shares. As per the letter, income arising from transfer of unlisted shares would be taxable under the head 'Capital Gains', irrespective of the period of holding. However, it would not be necessarily applied in the situations where:

- the genuineness of the transactions in unlisted shares itself is questionable; or
- the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- the transfer of unlisted shares is made along with the control and management of underlying business.

Investors may also refer to CBDT instruction no. 1827 dated August 31, 1989 read with CBDT Circular no. 4 dated June 15, 2007 for further guidance on this matter.

5.4.1. Gains characterised as capital gains

The IT Act provides for a specific mechanism for computation of capital gains. Capital gains are computed by deducting from the sale consideration, the cost of acquisition and certain other expenses. The tax payable on capital gains would depend on whether the capital gains are long-term or short-term in nature.
Depending on the period for which the securities are held, capital gains earned by the Investors would be treated as short term or long-term capital gains. The taxability of capital gains is discussed below:

Type of instrument	Period of holding	Characterization
Listed Securities (other than Units) and units of equity oriented Mutual Funds	More than twelve (12) months	Long-term Capital Asset
	Twelve (12) months or less	Short-term Capital Asset
Unlisted shares of a company	More than twenty four (24) months	Long-term Capital Asset
	Twenty four (24) or less	Short-term Capital Asset
Specified Mutual Fund and Market Linked Debenture*	Not relevant	Short-term Capital Asset, irrespective of period of holding
Other securities	More than thirty six (36) months	Long-term Capital Asset
	Thirty six (36) months or less	Short-term Capital Asset

**Specified Mutual Funds means a mutual fund (acquired on or after the 1st day of April, 2023) by whatever name called, where not more than 35% of its total proceeds is invested in equity shares of a domestic companies.*
"Market Linked Debenture" means a security by whatever name called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

Taxability of capital gains under the IT Act (without considering the benefits under the tax treaties for non-resident investors) should be as follows:

Sr. No.	Particulars	Resident beneficiaries	Non-resident beneficiaries [Note 6]	Foreign Portfolio investors ('FPI')
		Tax rate (%) excluding applicable surcharge and health and education cess		

[2] Letter F.No.225/12/2016/ITA.II dated May 2, 2016

1	Short-term capital gains on transfer of listed equity shares, to be listed shares sold through offer for sale, units of an equity oriented mutual fund, units of business trusts on which Securities Transaction Tax ('STT') has been paid	15%	15%	15%
2	Any other short-term capital gains	30% [Note 1]	30% (in case firms/LLP/foreign non-corporates) / 40% (in case of foreign company)	30% [Note 4]
3	Long-term capital gains on transfer of: (i) listed equity shares on which STT has been paid both at the time of acquisition and sale of such shares; or (ii) units of equity oriented mutual fund on which STT has been paid on transfer or (iii) units of business trusts o which STT has been paid o transfer [refer note 2]	10% [Note 5] [on income in excess of INR 1 lakh]	10% [Note 5] [on income in excess of INR 1 lakh]	10% [Note 5] [on income in excess of INR 1 lakh]
4	Long term capital gains on sale of listed bonds or listed debentures (not being market linked debenture)	10% (without indexation)	10% (without indexation) [Note 3]	10% [Note 5]
5	Long-term capital gains on transfer of listed mutual fund units (other than specified mutual funds acquired on or after the 1st day of April 2023 and equity-oriented fund)	20% (with indexation)	20% (with indexation)	10% [Note 5]
7	Long-term capital gains on transfer of unlisted bonds or unlisted debentures (not being market linked debenture)	20% (without indexation)	10% [Note 3 and 5]	10% [Note 5]
8	Long-term capital gains on transfer of unlisted securities (other than unlisted bonds and unlisted debentures) [refer note 7]	20% (with indexation)	10% [Note 3 and 5]	10% [Note 5]

Note 1:

In case of individuals, the tax rates have been mentioned considering highest slab rate. Separately, in case of domestic companies having total turnover or gross receipts not exceeding INR 400 crores in the Financial Year 2019-20 (Assessment Year 2020-21), the tax rate would be 25% (plus surcharge and health and education cess).

Note 2:

The cost of acquisition of equity shares or units of an equity oriented mutual funds acquired before 1 February 2018, shall be higher of:

- the actual cost of acquisition; and
- Lower of:
    - Fair market value as on 31 January 2018, determined in the prescribed manner; and
    - Value of consideration received or accruing upon transfer.

The CBDT issued a notification no. 3875 dated 1 October 2018, wherein the list of transactions have been specified in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the IT Act shall not apply.

Note 3:

The revenue may seek to apply a higher tax rate of 20% considering the judicial precedent.

Note 4:

Without considering foreign exchange benefit

Note 5:

Without considering indexation and foreign exchange fluctuation benefit

Note 6:

In case, the investments are made by Non-resident Indians ('NRI'), then such investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if such investors opt to be governed by these provisions, any long-term capital gains should be taxable at the rate of 10% (plus applicable Surcharge and Health and Education Cess) without considering the indexation benefit.

Note 7:

As per section 50CA of the IT Act, where the consideration received or accruing on account of transfer of unlisted shares is less than the fair market value of such share, determined in the prescribed manner, the fair value as determined should be deemed to be the full value of consideration for the purpose of computing capital gains.

5.4.2. Gains are characterised as 'Business income'

In case the gains are characterized as business income, then the same would be subject to tax as per the rates mentioned in paragraphs 12(2.1) & 12(2.2) above.

5.4.3. Proceeds on buy-back of shares by company

As per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

6. Other tax considerations

6.1. Foreign Portfolio Investors ('FPI')

As per section 2(14) of the IT Act, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains.
Under section 115AD of the IT Act, long-term capital gains arising from transfer of securities shall be taxable at the rates mentioned in paragraph para 5.4 above.
As per section 196D of the IT Act, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a FPI.
Under section 115AD of the IT Act, interest income received by FPIs should be taxable at 20% plus applicable Surcharge and Health and Education cess. However, interest referred to in section 194LD of the IT Act should be taxable at 5% plus applicable Surcharge and Health and Education cess, subject to fulfilment of conditions.

6.2. Non-resident investors (including FPI):

A non-resident investor would be subject to taxation in India only if;

- it is regarded a tax resident of India; or
- being a non-resident in India, it derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company should be treated as a tax resident in India if its place of effective management ('POEM') is in India in that year. The Finance Act, 2016 provided that the said amended provisions are effective from 1 April 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT had *vide* its Circular dated 24 January 2017, issued guiding principles for determination of POEM of a Company. The CBDT had *vide* circular dated 23 February 2017, clarified that provisions of Sec 6(3)(ii) relating to POEM would not apply to companies having turnover or gross receipts less than or equal to INR 50 crores during the Financial Year.

As per section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('Treaty') between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below). However, no assurance can be provided that the Treaty benefits will be available to the non-resident investor or the terms of the Treaty will not be subject to amendment or reinterpretation in the future. The taxability of such income of the non-resident investor, in the absence of Treaty benefits or where the non-resident investor is from a country with which India has no Treaty, would be as per the provisions of the IT Act.

In order to claim Treaty benefits, the non-resident investor has to furnish the Tax Residency Certificate ('TRC') issued by the foreign tax authorities. Further, the non-resident investor shall be required to furnish such other information or document as may be prescribed. In this connection, the CBDT *vide* its notification dated August 1, 2013 has prescribed certain information in Form No. 10F to be produced along with the TRC, if the same does not form part of the TRC.
The income-tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

6.3. STT:

STT is applicable on various transactions executed on stock exchanges as follows:

(a) 0.10% on the purchase of equity shares in a company on a recognised stock exchange in India where the contract for purchase is settled by the actual delivery or transfer of shares;
(b) 0.10% on the sale of equity shares in a company on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of shares;
(c) 0.001% on the sale of units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled by the actual delivery or transfer of units
(d) 0.025% on the sale of equity shares in a company or units of equity oriented funds on a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of shares or unit;
(e) 0.01% on the sale of futures in securities;
(f) 0.05% on the sale of options in securities;
(g) 0.125% on the purchase of options in securities, where options are exercised;
(h) 0.001% on the sale of units of equity oriented fund to the Mutual Fund.
(i) 0.2% on sale of unlisted equity shares under an offer for sale

6.4. Receipt of any property at a value below fair market value

Section 56(2)(x) of the IT Act provides that if any assessee receives any property (including shares and securities) without consideration or for inadequate consideration in excess of INR 50,000 as compared to the fair market value, fair market value in excess of such consideration shall be taxable in the hands of the recipient as Income from Other Sources at the rates mentioned in paragraph 12(2.1) and 12(2.2) above (plus applicable surcharge and health and education cess). The above rates would be subject to availability of benefits under the tax treaty, if any, in case of non-resident assessee.

As per the provisions of section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value should be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has notified rules for computation of FMV for the purpose of section 50CA of the IT Act.

Further, the above provision shall not apply to any consideration received / accruing on transfer by certain class of persons and subject to fulfillment of conditions, as may be prescribed.

The CBDT has issued rules with revised mechanism for computation of FMV for the purpose of section 56(2)(x) of the IT Act.

Accordingly, such other income would be chargeable to tax (i) at the rate of 30% (plus applicable rates of surcharge and cess) in case of resident investors (assuming highest slab rate for resident individual) (ii) at the rate of 40% plus applicable rates of surcharge and cess) in case of foreign companies (ii) at the rate of 30% (plus applicable rates of surcharge and cess) in case of non-resident firms/LLPs.

Further, the above provision shall not apply to any sum of money or any property received by such class of persons and subject to fulfilment of conditions as may be prescribed.

6.5. General Anti Avoidance Rules (‘GAAR’):

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

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

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

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

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

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

- Where tax avoidance is sufficiently addressed by the Limitation of Benefit Clause (‘LOB’) in a Tax Treaty, GAAR should not be invoked.
- GAAR should not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.

- GAAR is with respect to an arrangement or part of the arrangement and limit of INR 3 crores cannot be read in respect of a single taxpayer only.

6.6. FATCA Guidelines:

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

a. the name, address, taxpayer identification number [‘**TIN**’ (assigned in the country of residence)] and date and place of birth [‘**DOB**’ and ‘**POB**’ (in the case of an individual)];
b. where an entity has one or more controlling persons that are reportable persons:
   i. the name and address of the entity, TIN assigned to the entity by the country of its residence; and
   ii. the name, address, DOB, POB of each such controlling person and TIN assigned to such controlling person by the country of his residence;
c. account number (or functional equivalent in the absence of an account number);
d. account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year; and
e. the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

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

6.7. Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting:

The Organisation of Economic Co-operation and Development (‘OECD’) released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting (‘MLI’). The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit. The MLI has also expanded the scope of permanent establishment to include agent (excluding an independent agent) playing principal role, leading to routine conclusion of contracts without material modification. For this purpose, an agent is not considered independent if it acts exclusively or almost exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive.

In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs.

Recently, the Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement tax treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty.

On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. It may be noted that MLI will enter into effect for any treaty entered into by India from 1 April 2020 (i.e. FY 2020-21) if:

1. India has listed that treaty in its Final MLI Position as a Covered Tax Agreement ('CTA').
2. The treaty partner is a signatory to MLI.
3. The treaty partner has also deposited its instrument of ratification on or before 30 June 2019.
4. The treaty partner has also listed India in its Final MLI Position as a CTA.

The aforesaid steps have been completed for certain tax treaties entered into by India (such as India – Singapore, India – UK, India – Luxembourg and India – Netherlands). The said treaties shall stand modified with effect from 1 April 2020 (i.e. FY 2020-21) to the extent that both treaty partners share the same position on the provisions of the MLI.

6.8. Minimum Alternate Tax:

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and health and education cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act.

If MAT is held to be applicable to the Investors, then income receivable by such Investors from their investment in the Fund shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law. Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BBA or section 115BAB of the IT Act.

6.9. Alternate Minimum Tax:

The IT Act provides for levy of Alternate Minimum Tax ('AMT') on non-corporate tax payers if the tax amount calculated at the rate of 18.5% (plus applicable surcharge and health and education cess) of the adjusted total income, as the case may be, is higher than the regular income-tax payable under the normal provisions of the IT Act. Such provisions are not applicable if the adjusted total income does not exceed INR 20,00,000. Further, as per FA 2020, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

If AMT is held to be applicable to the investors, then income receivable by such investors from their investment in the fund shall also be included to determine the AMT.

6.10. Expenditure incurred in relation to income not includible in the total income:

As per the provisions of section 14A of the IT Act read with rule 8D of the IT Rules, if any income of the investors does not form part of the total income or is exempt under the provisions of the IT Act then any expenditure incurred by the Investor, directly or indirectly, in relation to such income will not be allowed as deduction for the purpose of calculating the total taxable income of the Investor.

6.11. Bonus stripping:

Where any person buys or acquires any securities or units of a mutual fund or the Unit Trust of India within a period of three months prior to the record date (i.e., the date that may be fixed by a company or a Mutual Fund or the Administrator of the specified undertaking or the specified company, for the purposes of entitlement of the holder of the units to receive additional unit without any consideration) and such person is allotted additional securities or units (without any payment) on the basis of holding of the aforesaid securities or units on the record date, and if such person sells or transfers all or any of the original securities or units within a period of nine months after the record date while continuing to hold all or any of the additional securities or units, then any loss arising to him on account of such purchase and sale of all or any of the securities or units would be ignored for the purpose of computing his income chargeable to tax. Further, the loss so ignored would be deemed to be the cost of acquisition of such additional securities or units as are held by him on the date of sale or transfer of original securities or units.

6.12. Carry-forward of losses and other provisions (applicable irrespective of the residential status):

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

6.13. Issue of shares at premium by a private company:

As per the provisions of section 56(2)(viib) of the IT Act, where a privately held company issues its shares to any person at a premium (i.e. over and above the face value of such shares), then the consideration received by the company for such issue of shares in excess of the fair market value ('FMV') of the shares is required to be taxed in the hands of the company. In this regard, rule 11U and 11UA provide mechanism for computation of FMV for the purpose of section 56(2)(viib) of the IT Act. An exemption is provided for receipt of consideration by a venture capital undertaking from a specified fund

Goods and Services Tax:

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

17. Accounting Policy / Valuations:

The following Accounting policy will be applied for the portfolio investments of clients:

(a) Investments in listed equity will be valued at the closing market prices on the National Stock Exchange **("NSE")**. If the Securities are not traded on the NSE on the valuation day, the closing price of the Security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the securities that are not traded on any exchange on the valuation date, then the previous closing price on NSE or BSE or any other Stock Exchange will be used, provided such closing price is not exceeding a period of 30 calendar days. Investments in units of mutual funds shall be valued will be valued at latest published NAV by the Fund House.

(b) Unlisted Equity / Convertible Preference Shares would be valued in accordance with the guidelines prescribed by APMI from time to time.

(c) Debt instruments and money market instruments would be valued accordance with the guidelines prescribed by APMI from time to time.

(d) Realised gains/losses will be calculated by applying the First In First Out principle.

(e) Unrealized gains/losses are the differences between the current market value/Net Asset Value and the historical cost of the Securities.

(f) Dividends on shares will be accounted for on ex-dividend date and dividends on units of mutual funds will be accounted for on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted for on accrual basis. The interest on debt instruments will be accounted for on accrual basis.

(g) In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase will not be treated as a cost of purchase but will be debited to Interest

(h) For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions. Specifically, in case of certain option contracts, market quotes are not easily available through the exchange due to low liquidity. Considering this scenario, Portfolio Manager has appointed an external agency to do the valuation based on the latest reported trades and market accepted methodologies. External agency will share the quotes on daily basis, in case such a quote is not available, previous day quotes will be used by the Portfolio Manager. Maximum validity of such quote will be 30 days

(i) Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale will not be treated as an addition to sale value but will be credited to Interest Recoverable Account.

(j) Transactions for purchase or sale of investments will be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

(k) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

(l) The cost of investments acquired or purchased will include brokerage, stamp duty charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.

(m) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting provided the same is mutually agreed between them on a case to case basis.

(n) Purchases are accounted for at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

(o) In case of Portfolio received from the Clients in the form of securities, this will be accounted for at previous day's closing price on NSE. Where the Client withdraws Portfolio in the form of securities, the same will be accounted on the date of withdrawal at the previous closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, previous day's closing price on BSE will be used for aforesaid accounting purpose.

(p) Investments in the Managed accounts (Alternate investment funds and Venture Capital funds) will be valued at last available Net asset value declared by issuer.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The valuation of the securities not mentioned above shall be valued on fair value basis as decided by the Portfolio Manager.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar securities

Accounting norms prevalent in the co-investment portfolio management services industry and as may be prescribed/applicable from time to time will be duly followed.

18. Investor Services:

a. Contact Information

Name, address and telephone number of the Investor relations officer who shall attend to the Investor queries and complaints.

Name: Ms. Lavita Gonsalves
Email: investordesk@360.one
Address: 360 ONE Asset Management Limited., 7th Floor, 360 ONE Centre, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, India
Tel: +91 22 4876 5600

The official mentioned above will ensure prompt Investor services. The Portfolio Manager will ensure that this official is vested with the necessary authority, independence and the wherewithal to handle Investor complaints.

You may register your grievances/complaints on SEBI Complaints Redress System (http://scores.gov.in/).

b. Grievance Redressal and dispute settlement mechanism

The Portfolio Manager has in place a dedicated system for addressing all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. On receipt of the complaint, the Portfolio Manager, on a best effort basis, may resolve the complaint, within 30 days. In the event the complaint is not resolved within 30 days, the Client and the Portfolio Manager or any person designated by the Portfolio Manager shall endeavour to resolve the complaint by mutual dialogue. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor may lodge the complaint on SEBI's web based complaints redress system (SCORES), on http://scores.gov.in/.
All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/ or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

If the party raising dispute/differences is not satisfied with the outcome of the redressal through SCORES such dispute/difference may be submitted to dispute resolution mechanism as per the framework notified by SEBI vide its circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 (and any amendment or clarificatory circulars that may be issued by SEBI from time to time) ("SEBI ODR Circular") for Online Resolution of Disputes in the Indian Securities Market (https://smartodr.in/login).

19. Additional Disclosures:

360 ONE AMC may avail the below mentioned services from 360 ONE Group for consideration, under normal course of business.

With respect to services offered by 360 ONE AMC under the portfolio management services or securities recommended, advised or acquired under PMS or in respect of services of any intermediary recommended by 360 ONE AMC, the Client may note the following:

(a) 360 ONE AMC and its group and associate companies are engaged in providing various financial services and for the said services (including the service for acquiring and sourcing the securities acquired/advised under PMS) the said companies may charge fees or remuneration in form of arranger fees, distribution fees, referral fees, advisory fees, management fees, trustee fees, commission, brokerage, transaction charges, underwriting charges, issue management fees and other fees.

(b) 360 ONE AMC acts as an Investment Manager to Scheme(s) of Mutual Fund and Alternative Investment Funds (in which Portfolio Manager may invest) and accordingly earn management and trustee fees for the same. Its associate companies act as Investment Manager and Trustee to Scheme(s) of Mutual Fund and Alternative Investment Funds.

(c) PMS trades may be done through 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited) as stock-brokers.

(d) Apart from above, investment may be made in securities of associates & group companies, investment transaction may be done with 360 ONE AMC, its associates and group companies as counterparties and 360 ONE AMC including its subsidiaries and associates may receive various forms of remuneration linked to the PMS or Advisory services offered to the Client.

The transactions with 360 ONE AMC, associates or group companies will be done at arm's length and under normal course of investment transactions. With effect from October 1, 2020, charges for all transactions in a financial year (Broking, Demat, custody, etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not beat rates more than that paid to the non-associates providing the same service. It is clarified that the cap on payment to associates shall not be applicable for Co-investment Portfolio Management Services.

General:

The Portfolio Manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.

Signatures:

For 360 ONE Asset Management Limited
(Formerly known as IIFL Asset Management Limited)

Name of Signatories	Signature(s)
Karan Bhagat **Director**	
Anup Maheshwari **Director**	

Date: December 29, 2023
Place: Mumbai

Annexure A

Any pending material litigation/legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any

1. Pramod Magar Vs Marvel Sigma Homes Private Limited, 360 ONE Asset Management Limited (earlier known as IIFL Asset Management Limited) and others.

   IIFL Cash Opportunities Fund ("Fund") had subscribed Optionally Convertible Debentures ("OCD") issued by Marvel Sigma Homes Private Limited ("Marvel") which was secured, among other securities, by a property situated at Village Hadapsar, Taluka - Haveli, District – Pune ("Secured Property"). Shri Pramod Tukaram Magar and 7 others ("Plaintiffs") have claimed that they are the rightful owners of the Secured Property and that the developer i.e. Marvel, was not authorised to provide the Secured Property as collateral for issuance of OCD by Marvel.

   Plaintiffs have filed a Commercial Civil Suit before District and Sessions Court, Pune, against various parties including 360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited) and Fund praying that the Debenture Trust Deed, pursuant to which the Debenture Subscription was made, be declared null and void. We have filed an application for striking off names of 360 ONE entities from the proceedings. The next hearing date is January 20, 2024.

2. Bhupesh Patel & Others v/s 360 ONE Asset Management Limited (earlier known as IIFL Asset Management Limited) and Alkesh Patel

   (Late) Rajesh Bhai Patel "Deceased" had invested in IIFL Multi Strategy Fund ("MF") for INR 1,00,00,000/- with 993,954,999 units in January 2019. Due to the dispute between Bhupesh Patel & Others ("Plaintiff") and Alkesh Patel (Nominee) for the given MF units, a Civil Suit had been filed in City Civil Court, Secunderabad to which 360 ONE Asset Management Limited ("360 ONE AMC") has been made party.

   Plaintiff has prayed to the Court for declaring them as beneficiary of the said MF units purchased by Deceased. 360 ONE AMC has already filed written statement in this matter. The next date of the matter is January 22, 2024 for settlement between parties.

ANNEXURE B

PORTFOLIO MANAGEMENT PERFORMANCE

Portfolio Name	Particulars	Current year (April 01-November 30, 2023		April 2022 to March 2023		April 2021 to March 2022		April 2020 to March 2021	
		Individual	Corporate	Individual	Corporate	Individual	Corporate	Individual	Corporate
360 ONE Multicap PMS (Formerly known as IIFL Multicap PMS)	Portfolio	20.95%	21.79%	-1.25%	-0.38%	22.86%	25.20%	68.05%	72.49%
	BSE 500 TRI	24.16%	24.16%	-0.61%	-0.61%	21.26%	21.26%	76.26%	76.26%
360 ONE Multicap Advantage PMS (Formerly known as IIFL Multicap Advantage PMS) **	Portfolio	19.01%	19.24%	-3.10%	-2.71%	20.71%	19.22%	50.22%	49.15%
	BSE 500 TRI	24.16%	24.16%	-0.61%	-0.61%	21.26%	21.26%	76.26%	76.26%
Lease Rent Discounting / Pre-Leased Rental Strategy ^	Portfolio	-	-	76.80%	-26.33%	-3.07%	-3.07%	-0.01%	-0.01%
	BSE 500 TRI	-	-	4.24%	4.24%	4.30%	4.30%	5.90%	5.90%
360 ONE Real Estate PMS (Formerly known as IIFL Real Estate PMS) **	Portfolio	-11.17%	-1.71%	2.47%	2.86%	-9.50%	-2.95%	-5.52%	-2.99%
	CRISIL Credit Index	7.94%	7.94%	4.24%	4.24%	4.30%	4.30%	5.90%	5.90%
Customised Discretionary Portfolio #	Portfolio	-	-	-4.64%	-2.49%	17.25%	22.02%	40.43%	17.42%
	BSE 500 TRI	-	-	-0.60%	-0.60%	18.88%	18.88%	70.87%	70.87%
Customised Discretionary Portfolio Debt ^	Portfolio	-	-	-	-	-	-	-	10.82%
	CRISIL Credit Index	-	-	-	-	-	-	-	5.90%
Customised Discretionary Portfolio Debt	Portfolio	3.58%	-	-	-	-	-	-	-
	CRISIL Credit Index	7.94%	-	-	-	-	-	-	-
Customised Discretionary Portfolio Equity	Portfolio	23.52%	24.20%	-	-	-	-	-	-
	BSE 500 TRI	24.16%	24.16%	-	-	-	-	-	-
Customised Discretionary Portfolio Multi-Asset**	Portfolio	0.00%	2.17%	-	-	-	-	-	-
	NSE Multi Asset Index #1	14.30%	14.30%	-	-	-	-	-	-
360 ONE Long Term Growth PMS (Formerly known as IIFL Long Term Growth PMS) ^	Portfolio	-	-	-2.94%		3.75%	-	71.00%	79.95%
	BSE 500 TRI	-	-	-0.60%		18.88%	-	70.87%	70.87%
360 ONE Emerging Star Portfolio (Formerly known as IIFL Emerging Star Portfolio) ^	Portfolio	-	-	-	-	-	-	-139.76%	16.65%
	BSE 500 TRI	-	-	-	-	-	-	70.87%	70.87%
360 ONE Focused Equity Strategies (Formerly known as IIFL Focused Equity Strategies) ^	Portfolio	-	-	-	-	-	16.13%	68.57%	67.36%
	BSE 500 TRI	-	-	-	-	-	18.88%	70.87%	70.87%
360 ONE Phoenix Portfolio (Formerly known as IIFL Phoenix Portfolio)	Portfolio	35.03%	35.92%	6.71%	7.15%	22.33%	26.30%	-	-
	BSE 500 TRI	24.16%	24.16%	-0.61%	-0.61%	21.26%	21.26%	-	-
360 ONE Real Estate PMS (Formerly known as Real Estate Companies Portfolio) @	Portfolio	-	-	-	-	-	-	-	-
	CRISIL Credit Index	-	-	-	-	-	-	-	-
	Portfolio		-	-	-	-	-	-	-

Managed Credit Solutions Portfolio	CRISIL Credit		-	-	-	-	-	-	-

NOTES:

1. *Performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.*
2. *Benchmarks considered in the above table are as on November 30, 2023.*
3. *Please note that benchmarks of investment approaches have changed in accordance with SEBI circular dated December 16, 2022 and APMI circular dated March 23, 2023. Accordingly, for periods prior to April 1, 2023, benchmark returns have been calculated basis the old benchmarks.*
3. *For all investment approaches where we are currently not accepting any new investments, for such investment approaches, this status is subject to change in the future.*
4. ***The investment approach is not accepting fresh investments from clients.*
5. *^As on November 30, 2023, there were no clients in this investment approach, and we are not accepting fresh investments from clients.*
6. *@Real Estate Companies Portfolio has been merged with 360 ONE Real Estate PMS. Accordingly, Real Estate Companies Portfolio has been renamed as 360 ONE Real Estate PMS. This investment approach is not accepting fresh investments from clients.*
7. *#With effect from April 1, 2023, this investment approach has been divided into 3 sub-approaches, i.e. Customised Discretionary Portfolio - Debt, Customised Discretionary Portfolio - Equity, Customised Discretionary Portfolio - Multi-Asset.*

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 22)

360 ONE Asset Management Limited

Dear Investor,

We confirm that:

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

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

III. The Disclosure Document has been duly certified by M. P. Chitale & Co., Chartered Accountants having office at 1/11, Prabhadevi Ind. Estate, 1st Floor., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 and having registration No: 101851W on December 29,2023.

The copy of Chartered Accountant's certificate is enclosed.

For **360 ONE Asset Management Limited**
(Formerly known as IIFL Asset Management Limited)

Anup Maheshwari
Principal Officer

Email: Anup.Maheshwari@360.one
Phone No: +9122 4876 5439

Date: December 29, 2023
Place: Mumbai

The Board of Directors,
360 ONE Asset Management Limited,
(erstwhile IIFL Asset Management Limited)
360 ONE Centre, Kamala City, Senapati Bapat Marg,
Lower Parel (W), Mumbai – 400013.

Certificate under regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

1. We have been requested by management of 360 ONE Asset Management Limited ('the Company') (erstwhile IIFL Asset Management Limited**)** to certify the contents of Disclosure Document dated December 29, 2023 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations') and Para 4.1 of the Master Circular for Portfolio Managers dated March 20, 2023 issued by SEBI. We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI").

Management's responsibility

2. The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.

3. The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

Auditor's responsibility

4. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

5. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

a) The list of persons classified as group companies and list of related parties are as per audited financial statements available on the Company website;
b) The promoters and directors' qualifications, experience, ownership details are as confirmed by the directors and have been accepted without further verification;
c) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to penalties or litigations against the Portfolio Manager, as mentioned in the Disclosure Document;
d) We have reviewed the figures for performance disclosed in the Disclosure Document on the basis of performance data spooled from Wealth Spectrum by the Company;
e) We have reviewed the transactions with the associate/related parties during the quarter ended September 2023 as per the list of related parties and transactions data provided by the Portfolio Manager.
f) We have relied solely on representations provided by the management of the Company and not performed any procedures in relation to the investment objectives and policies / investment philosophy;
g) We have reviewed nature of fees and expenses as per the agreements and representations provided by the Company; and
h) We have verified the financial figures disclosed in the Disclosure Document with the audited financial statements for the respective years.

Conclusion

6. Based on the procedures performed as stated above, evidence obtained and information and explanations provided by the Company, nothing has come to our attention that causes us to believe that the Disclosure Document is not, in all material aspects, in compliance with the SEBI Regulations.

Based on our review of attached Disclosure Document, audited annual accounts of the Portfolio Manager and its other group companies and its other relevant records and information furnished by the Portfolio Manager along with representation provided, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

7. This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not

be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

For M.P. Chitale & Co.
Chartered Accountants
Firm Reg. No. 101851W

V.V. Baje

Partner
M. No. 104994
Mumbai, December 29, 2023
UDIN: 23104994BGWWHB3390