



STATEMENT OF ADDITIONAL INFORMATION

This Statement of Additional Information (“SAI”) contains details of **WSIF** ‘Specialized Investment Fund’ offered by The Wealth Company Mutual Fund (the ‘Mutual Fund’), its constitution and certain tax, legal and general information. It is incorporated by reference and is legally a part of the Investment Strategy Information Document (“ISID”) of all the Investment Strategies WSIF.

Name of the Specialised Investment Fund	WSIF
Name of the Mutual Fund	The Wealth Company Mutual Fund Registration Code: MF/086/25/12
Name of the Asset Management Company	Wealth Company Asset Management Holdings Private Limited (the‘AMC’) CIN: U67200MH2018PTC314896
Name of the Trustee Company	Pantomath Trustee Private Limited CIN: U64300MH2025PTC438726

Addresses, Website of the Entities

WSIF	Registered Address: Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai, Maharashtra 400072. Website: https://www.wealthcompanyamc.in/wsif/ Email: investorcare@wealthcompany.in Phone no.: 022-65786200
The Wealth Company Mutual Fund	Registered Address: Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai, Maharashtra 400072. Website: www.wealthcompanyamc.in Email: investorcare@wealthcompany.in Phone no.: 022-65786200 Registration Code: MF/086/25/12
Wealth Company Asset Management Holdings Private Limited	
Pantomath Trustee Private Limited	

This SAI is dated March 27, 2026.

Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision

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I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANY

A. Constitution of the Mutual Fund

The Wealth Company Mutual Fund (the "Mutual Fund") has been constituted as a Trust on March 05, 2025, in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) with Pantomath Capital Advisors Private Limited ("the Sponsor") as the Sponsor and Pantomath Trustee Private Limited ("the Trustee Company"/" Trustee") as Trustee of the Mutual Fund. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund is registered with Securities and Exchange Board of India (SEBI) on July 18, 2025, under Registration Code MF/086/25/12.

o amendments to the trust deed shall be carried out without the prior approval of SEBI and unitholders approval would be obtained where it affects the interest of unitholder.

B. Constitution of Specialized Investment Fund

WSIF ('SIF') is offered by The Wealth Company Mutual Fund in terms of Regulation 49W(1) of SEBI (Mutual Funds) Regulations, 1996 ("SEBI Regulations") with Pantomath Trustee Private Limited as the Trustee and Wealth Company Asset Management Holdings Private Limited as the Asset Management Company (AMC). The Wealth Company Mutual Fund was granted approval to establish the SIF by SEBI on November 18, 2025.

C. Sponsors

The Wealth Company Mutual Fund is sponsored by Pantomath Capital Advisors Private Limited. The Sponsor is the Settler of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs. 10,00,000/- (Indian Rupees Ten Lakhs only) to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

Brief activities of the Sponsor

Pantomath Capital Advisors Private Limited is widely recognized as India's leading mid-market Investment Banking Institutions. Pantomath has successfully executed 125 IPO transactions facilitating capital access for high growth enterprises across diverse sectors.

Financial Performance of the Sponsor (past three years):

Particulars	FY2024-25	FY 2023-24	FY 2022-23
Net Worth	175.71	85.26	61.79
Total Income	161.58	50.82	36.04
Profit after tax	91.08	23.46	11.79
Assets under Management (if applicable)	NA	NA	NA

(in crores)

D. The Trustee

Pantomath Trustee Private Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as Trustee of WSIF. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI (Mutual Funds) Regulations, 1996 ("SEBI (MF) Regulations") and will also review the activities carried on by the AMC.

As regards to the SIF, the Trustee ensures that all the activities of the SIF are in accordance with the provisions of the SEBI Regulations and Circulars issued in this regard from time to time.

Details of Trustee Directors:

Name	Age/ Qualification	Brief experience
Dr. Ram Sewak Sharma (Independent)	M.Sc. (Mathematics) from IIT, Kanpur, Masters in Computer from the University of California, Riverside (USA), PhD from IIT (Delhi) Age: 69	Dr. Ram Sewak Sharma, (1978 batch retd. IAS). He has held various prestigious positions with the Government of India, including Director General of the Unique Identification Authority of India (UIDAI) and Chairman of the Telecom Regulatory Authority of India (TRAI). Dr. Sharma is widely recognized for his significant contributions to the development of Aadhaar, CoWIN, and the Ayushman Bharat Digital Mission.
Dr. Hukum Chand Jain (Independent)	MA (Pol Science) Allahabad University, LLB (Delhi University), PhD (History) Rohil University, PG Diploma in Business Administration (Lal Bahadur Shastri Academy Lucknow) Age: 68	Dr. Hukum Chand Jain is Retd. Indian Revenue Service official 1982 batch. He held various positions, including Assistant Commissioner, Deputy Commissioner, Additional Commissioner, Commissioner, Principal Commissioner, and Chief Commissioner of Income Tax, in different cities like Lucknow, Dehradun, Bareilly, Delhi, Kolkata, Chennai, and Mumbai. He also served as Vice-Chairman of the Income Tax Settlement Commission in Kolkata, Mumbai, and Chennai. Retiring in December

		2018, he currently works as a tax consultant and advisor to corporations, professionals, and occasionally represents significant matters as an advocate before tribunals and other judicial forums.
Smt. Rashmi Verma (Independent)	MA (Political Science), M (Phil), MBA Age: 66	Smt. Rashmi Verma, a 1982 batch IAS officer, held the esteemed position of Secretary of the Ministry of Textiles in India from 2012 to 2015. Her illustrious career has taken her to various prestigious positions, both at the central and state levels. She has held roles in the Ministry of Finance, Ministry of Defence, and the Prime Minister's Office. Notably, she served as Special Secretary in the Department of Revenue within the Ministry of Finance. Verma's extensive and diverse experience encompasses key positions at both the Central and State levels.
Mr. Krishan Kumar Jalan (Associate)	M.Sc. (Mathematics), MSS (Development Administration) M. Phil (Mathematics) M. Phil (Public Administration) Age: 67	Mr. Krishan Kumar Jalan, IAS (Retd.), has over 35 years of experience and has served at various senior positions with distinction. Mr. Jalan, retired as Principal Secretary, Govt. of India, Ministry of Micro, Small and Medium Enterprises. Mr. Jalan worked as Commissioner and Secretary of Finance in the Government of Haryana. As Managing Director of Corporations like Haryana Tourism Corporation, oversaw all aspects of the corporation, including finance. And also served as Chief of EPFO, managing over Rs. Ten lakhs Crores of funds and ensuring their proper deployment while reviewing the work of fund managers. Additionally, introduced the participation of EPF in equity. Furthermore, worked or am currently working as Chairman and Member of Audit Committees of various listed companies, investigating their finances and fund deployment.

Responsibilities and Duties of the Trustees under the Trust Deed and SEBI (Mutual Fund) Regulations:

Pursuant to the Trust Deed dated March 05, 2025 (as amended from time to time) constituting the SIFand in terms of the SEBI (MF) Regulations, the rights, obligations, responsibilities and duties of the Directors of the Trustee (the "Trustees"), inter-alia, are as under:

1. The Trustees and the AMC have with the prior approval of SEBI entered into an Investment Management Agreement.
2. The Investment Management Agreement contains clauses as are mentioned in the Fourth Schedule of the SEBI (MF) Regulations and such other clauses as are necessary for the purpose of entrusting investment management of the Mutual Fund.
3. The Trustees shall have a right to obtain from the AMC such information as is considered necessary by it.
4. The Trustees shall ensure that:
 - The Trustee Company shall approve the policy for empanelment of brokers by the AMC.
 - The AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
 - the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to the interests of the Unitholders.
 - the transactions entered into by the AMC are in accordance with SEBI (MF) Regulations and the Investment Strategy(s).
 - the AMC has been managing the Investment Strategy (s) independently of other activities and has taken adequate steps to ensure that the interest of investors of one Investment Strategy is not compromised with those of any other Investment Strategy or of other activities of the AMC.
 - all the activities of the AMC are in accordance with the provisions of SEBI (MF) Regulations.
5. Where the Trustee have reason to believe that the conduct of the business of the Fund is not in accordance with the SEBI (MF) Regulations and / or the Investment Strategy (s), they shall forthwith take such remedial steps as are necessary and shall immediately inform the SEBI of the violation and the action taken by them.
6. Each Trustee shall file with the Fund details of his/her transactions of dealings in securities within the Mutual Funds
7. The Trustees shall be accountable for and be the custodian of the funds and property of the Investment Strategy (s) and shall hold the same in trust for the benefit of the Unitholders in accordance with SEBI (MF) Regulations and the provisions of the Trust Deed.
8. The Trustees shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust

Deed.

9. The Trustees shall ensure that the income calculated by the AMC under sub-regulation (25) of regulation 25 of these regulations in accordance with the SEBI (MF) Regulations and the Trust Deed.
10. The Trustees shall obtain the consent of the Unitholders:
 - whenever required to do so by the SEBI in the interest of the Unitholders; or
 - whenever required to do so on the requisition made by three- fourths of the Unitholders of any Investment Strategy or such number of Unitholders as may be prescribed by SEBI from time to time; or
 - when the majority of the Trustee decide to wind up a Investment Strategy in terms of clause (a) of sub regulations (2) of regulation 39 of the SEBI (MF) Regulations or prematurely redeem the units of a close ended Investment Strategy.
11. The Trustees shall ensure that no change in the fundamental attributes of the Investment Strategy (s) and the Plan(s) / Option(s) there under or the trust or fee and expenses payable or any other change which would modify the Investment Strategy (s) and the Plan(s) / Option(s) there under and affect the interests of Unitholders is carried out unless it complies with sub-regulation (26) of the regulation 25 of the SEBI (MF) Regulations.
12. The Trustees shall call for the details of transactions in securities by the key personnel of the AMC in their own personal names or on behalf of the AMC and report to SEBI, as and when required.
13. The Trustees shall quarterly or at such frequency as may be prescribed by SEBI from time to time review all transactions carried out between the Mutual Fund, AMC and its associates.
14. The Trustees shall on a quarterly basis review the networth of the AMC to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis as per SEBI (MF) Regulations.
15. The Trustees shall periodically review all the service contracts relating to custody arrangements, transfer agency of the securities and satisfy themselves that such contracts are executed in the interest of the unit holders.
16. The Trustees shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the Unitholders.
17. The Trustees shall periodically review the investor complaints received and the redressal of the same by the AMC.
18. The Trustees shall abide by the Code of Conduct as specified in PART – A of the Fifth Schedule to the SEBI (MF) Regulations.
19. The Trustees shall furnish to SEBI on a half yearly basis or at such frequency as may be prescribed by the SEBI from time to time:
 - a report on the activities of the Mutual Fund.
 - a certificate stating that the Trustees have satisfied themselves that there have been no instances of self-dealing or front running by any of the trustees, directors and key personnel of the AMC.
 - a certificate to the effect that the AMC has been managing the Investment Strategy (s) independently of the other activities and in case any activities of the nature referred to in sub regulation (2) of Regulation 24 of the SEBI (MF) Regulations have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the Unitholders is protected.
20. The independent Trustee referred to in sub-regulation (5) of regulation 16 of the SEBI (MF) Regulations shall give their comments on the report received from the AMC regarding the investments by the SIFin the securities of group companies of the sponsor.
21. The Trustees shall review all information and documents received from the AMC as required from time to time under SEBI (MF) Regulations.
22. The Trustee shall exercise due diligence as under:

General Due Diligence:

- (i) The directors of the Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
- (ii) The Trustees shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the Investment Strategy (s) and shall not allow the AMC to float new Investment Strategy (s).
- (iii) The Trustees shall ensure that the trust property is properly protected, held and administered by proper persons and by a proper number of such persons.
- (iv) The Trustees shall ensure that all service providers are holding appropriate registrations from the SEBI or concerned regulatory authority.
- (v) The Trustees shall arrange for test checks of service contracts.
- (vi) The Trustees shall immediately report to the SEBI of any special developments in the mutual fund.

Specific Due Diligence: The Trustees shall:

- (i) Obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee.
- (ii) Obtain compliance certificates at regular intervals from the AMC.
- (iii) Hold meeting of Trustees more frequently.
- (iv) Consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Trustee for appropriate action.
- (v) Maintain records of the decisions of the Trustees at their meetings and of the minutes of the meetings.

- (vi) Prescribe and adhere to the code of ethics by the Trustee, AMC and its personnel
23. Communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies. Notwithstanding anything contained in sub-regulations (1) to (25) of the SEBI (MF) Regulations, the Trustees shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
 24. The independent directors of the Trustees shall pay specific attention to the following, as may be applicable, namely:
 - (i) the Investment Management Agreement and the compensation paid under the agreement.
 - (ii) service contracts with associates: whether the AMC has charged higher fees than outside contractors for the same services.
 - (iii) selection of the AMC's independent directors.
 - (iv) securities transactions involving associates to the extent such transactions are permitted.
 - (v) selection and nomination of individuals to fill independent directors' vacancies.
 - (vi) designing of code of ethics to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - (vii) the reasonableness of fees paid to Sponsors, AMC and any others for services provided.
 - (viii) principal underwriting contracts and their renewals.
 - (ix) any service contract with the associates of the AMC.
 25. The trustees shall also exercise due diligence on such matters as may be specified by SEBI from time to time.

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and Unitholders approval/ consent will be obtained where it affects the interests of Unitholders as per the procedure / provisions laid down in the Regulations.

Core Responsibilities

- (i) The Trustees shall ensure the fairness of the fees and expenses charged by the AMCs.
- (ii) The Trustees shall review the performance of AMC in its Investment Strategy vis-a-vis the performance of peers or the appropriate benchmarks.
- (iii) The Trustees shall ensure that the AMCs have put in place adequate systems to prevent mis-selling to increase assets under their management and valuation of the AMCs.
- (iv) The Trustees shall ensure that operations of AMCs are not unduly influenced by the AMCs Sponsor, its associates and other stakeholders of AMCs.
- (v) The Trustees shall ensure that undue or unfair advantage is not given by AMCs to any of their associates/group entities.
- (vi) The Trustees shall be responsible to address conflicts of interest, if any, between the shareholders/stakeholders/associates of the AMCs and unitholders.
- (vii) The Trustees shall ensure that the AMC has put in place adequate systems to prevent misconduct including
- (viii) market abuse/misuse of information by the employees, AMC and connected entities of the AMCs.

Duties of trustees under Regulation 49AC

- (1) The trustees shall ensure that the asset management company has the necessary expertise, internal control systems and risk management mechanism to invest in and manage investments.
- (2) The trustees shall ensure that the asset management company shall comply with such other requirements related to risk management, investor protection, disclosures and reporting, as may be specified by the Board from time to time.
- (3) The trustees shall ensure that all activities of the Specialized Investment Fund are in accordance with the provisions of these regulations.

Role of the Trustee - The supervisory role of the Trustee will be discharged inter alia by reviewing the information and operations of The SIF based on the reports furnished by AMC, internal audit reports/compliance reports received on a periodical basis. The board meeting of the Trustee shall be held at least once in every two calendar months and at least six such meetings shall be held every year or at such frequency as may be prescribed under the Regulations. Further, the quorum for a board meeting of the Trustee shall not be constituted unless such a number of independent directors as may be prescribed by SEBI, from time to time, are present in at the meeting.

The Trustee Company was incorporated on 20th January 2025 and the board of trustees has met 2 times during the previous year. Further, the board of directors of the Trustee has constituted an audit committee and risk committee chaired by an independent director. The audit committee shall meet periodically to discuss the internal control systems, the scope of audit of the internal auditors, as well as the observations made by them. They shall also review the annual financial accounts. Recommendations, if any, of the audit committee on any matter relating to financial management etc. are considered in the subsequent board meeting of the AMC and the Trustee.

The scope of the risk committee shall be as per the SEBI (MF) regulation and the Master Circular issued by SEBI dated June 27, 2024 which lays down broad framework for Risk Management.

II. The Asset Management Company

Wealth Company Asset Management Holdings Private Limited ("the AMC") is a Private Limited Company incorporated under the Companies Act, 2013, on December 11, 2017, having its registered office at Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai, Maharashtra 400072.

Wealth Company Asset Management Holdings Private Limited has been appointed as the Asset Management Company of WSIF by the Trustee vide Investment Management Agreement (IMA) dated March 04, 2025 and executed between Pantomath Capital Advisors Private Limited and Wealth Company Asset Management Holdings Private Limited. Wealth Company Asset Management

Holdings Private Limited is also the AMC of The Wealth Company Mutual Fund.

Other Business undertaken by AMC

The wholly-owned subsidiary company of AMC 'Wealth Company Asset Management Private Limited' is a SEBI registered Alternative Investment Funds having registration number IN/AIF2/19-20/0690. It is also carrying activities in Gift City. In carrying out the said business, there is no conflict of Interest with the activities of the Mutual Fund.

A. The share holding pattern of AMC as on September 30, 2025:

1. Equity Shares

Name of Shareholder	PAN	No. of Shares	Percentage shareholding (upto two decimal)
Pantomath Capital Advisors Private Limited	AAHCP3551H	10,963	93.19
Madhu Lunawat	AXOPS3685G	1	0.01
Wealth Company Private Limited	AADCW7497H	800	6.8
Total		11,764	100

2. Preference Shares

Name of Shareholder	PAN	No. of Shares	Amount (Rs.)
Pantomath Capital Advisors Private Limited	AAHCP3551H	803	8030
Total		803	8030

B. Details of AMC Directors:

Name	Age / Qualification	Brief experience
Ms. Madhu Lunawat (Managing Director & CEO)	B. Com, CA Age: 42	Madhu is also the Co-Founder of Pantomath Group, a business spanning Investment Banking, M&A, Asset & Wealth Management, Institutional Equity, and Distribution. Her vision has helped shape the financial landscape, driving SME growth, structuring landmark institutional deals, and executing record-breaking fundraises. Ms. Madhu Lunawat journey includes pivotal roles at Infosys, ASREC, and Edelweiss, where she served as CFO of Edelweiss ARC before taking the entrepreneurial leap. Today, her leadership at The Wealth Company is setting new benchmarks—proving that finance isn't just about numbers, but about vision, bold moves, and breaking barriers. Ms. Madhu Lunawat is also recognized for her astute investment picks and successful exits. Additionally, Ms. Lunawat holds the prestigious rank of Chartered Accountant and has achieved CFA Level II certification from the AIMR in the USA.
Mr. Hemant Bhargava (Independent)	Postgraduate in Economics from Lucknow University Age: 65	Mr. Hemant Bhargava has over 38 years of experience in the Insurance and Finance industry, both in India and abroad. As the Country Head for LIC of India, Hemant played a pivotal role in establishing LIC of India's credit card company and setting up a separate vertical for micro-insurance. Additionally, as the Managing Director of LIC of India, Hemant oversaw the management of LIC of India's investment portfolio, which at that time had an approximate value of Rs 36 Lac crore.
Mr. Atul Ravishanker Joshi (Independent)	B Com, BA (Econ), Chartered Accountant	Mr. Atul Joshi, formerly the head of Fitch Ratings Group for five years, spearheaded market development initiatives. He introduced

	Age: 57	groundbreaking financial products, including the inaugural Road Annuity Securitization, Commercial Mortgage-Backed Securities (CMBS), Special Asset Charge Securitization for Power Distribution companies, and Airport fee receivable securitization. Additionally, he championed stress tests for the banking sector, aligning them with Basel III regulations. Mr. Joshi served on the Sovereign Rating Committee and made significant contributions to the Municipal Bond Market committee under the Ministry of Urban Development (MoUD). Before his tenure at Fitch Ratings Group, he held leadership positions in the Financial Institutions Group and Debt Capital Markets Group at ING Vysya Bank. Notably, he served as the Parent Account Manager for India and actively participated in the global Financial Institution Credit Committee for India risk assessment.
Dr. Kshatrapati Shivaji (Non-Executive Non-Independent)	B.Sc. Degree in Civil Engineering, M. Tech. in Building Science & Construction Management from IIT Delhi, M.A. in Economics, PGDM with electives in International Finance from MDI Gurgaon, and Ph.D. in Management and Finance. Age: 64	Dr. Kshatrapati Shivaji is a distinguished retired IAS officer, 1986 batch, Maharashtra Cadre, with approximately 40 years of experience in finance, industry, trade, and administrative leadership. Dr. Kshatrapati Shivaji has been a prominent representative of India at international forums, serving as Dean of the Board of the Asian Development Bank and showcasing his leadership in global financial engagement. With a distinguished career spanning multiple roles, Dr. Kshatrapati Shivaji has held key positions such as CMD of Small Industries Development Bank of India (SIDBI) and founding Chairman of MUDRA Ltd. He has also led SIDBI Venture Capital Ltd., CGTMSE, and NCGTC, and served as CMD of Maharashtra State Financial Corporation and CEO of Kerala Financial Corporation. Additionally, Dr. Kshatrapati Shivaji has held senior positions in the Government of Maharashtra, including Principal Secretary of the Finance, Industries, and IT Departments.

c. Duties and Obligation of the AMC as specified by the SEBI (MF) Regulations

1. The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any Investment Strategy is not contrary to the provisions of the SEBI (MF) Regulations and the Trust Deed.
2. The AMC shall exercise due diligence and care in all its investment decisions as would be exercised by other persons engaged in the same business.
3. The AMC shall obtain, wherever required under the SEBI (MF) Regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.
4. The AMC shall be responsible for the acts of commissions or omissions by its employees or the persons whose services have been procured by the AMC.
5. The AMC shall submit to the trustees quarterly reports of each year on its activities and the compliance with SEBI (MF) Regulations.
6. The Trustees at the request of the AMC may terminate the assignment of the AMC at any time; provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated its decision in writing to the AMC.
7. Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of any liability to the SIF for its / their acts of commission or omissions, while holding such position or office.
8. The Chief Executive Officer (whatever his designation may be) of the AMC shall
 - ensure that the SIF complies with all the provisions of the SEBI (MF) Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the unit holders and shall also be responsible for the overall risk management function of the Mutual Fund.
 - ensure that the Asset Management Company has adequate systems in place to ensure that the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of SEBI (MF) regulations are adhered to in letter and spirit. Any breach of the said Code of Conduct shall be brought to the attention of the Board of Directors of the Asset Management Company and Trustees.
9. The Fund Managers including Chief Investment Officer (whatever the designation may be) shall
 - ensure that the funds of the Investment Strategy are invested to achieve the objectives of the Investment Strategy (s) and in the interest of the unit holders.
 - abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the SEBI

- (MF) Regulations and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.
10. The Dealers (whatever be the designation) shall
 - ensure that orders are executed on the best available terms, taking into account the relevant market at the time for transactions of the kind and size concerned to achieve the objectives of the Investment Strategy and in the best interest of all the unit holders.
 - abide by the Code of Conduct for Fund Managers and Dealers specified in PART - B of the Fifth Schedule of the SEBI (MF) Regulations and submit a quarterly self-certification to the Trustees that they have complied with the said code of conduct or list exceptions, if any.
 11. The board of directors of the asset management company shall ensure that all the activities of the AMC are in accordance with the provisions of these SEBI (MF) Regulations.
 12. The AMC shall not through any broker associated with the sponsor, purchase or sell securities, which is average of 5 per cent or more of the aggregate purchases and sale of securities made by the SIF in all its Investment Strategy. For the purpose of this, the aggregate purchase and sale of securities shall exclude the sale and distribution of units issued by the mutual fund. Further the aforesaid limit of 5 per cent shall apply for a block of any three months.
 13. The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause above) which is average of 5% or more of the aggregate purchases and sale of securities made by the SIF in all its Investment Strategy or as may be prescribed under SEBI (MF) Regulations unless the AMC has recorded in writing the justification for exceeding the limit of 5% or as may be prescribed under SEBI (MF) Regulations and reports of all such investments are sent to the Trustee on a quarterly basis. The aforesaid limit shall apply for a block of any three months or as may be prescribed under SEBI (MF) Regulations
 14. The AMC shall not utilize the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities. However, the AMC may utilize such services if disclosure to that effect is made to the Unitholders and the brokerage or commission paid is also disclosed in the half yearly and annual accounts of the Mutual Fund. Further that the SIF shall disclose at the time of declaring half yearly and yearly results:
 - (i) any underwriting obligations undertaken by the Investment Strategy for the SIF with respect to issue of securities of associate companies;
 - (ii) devolvement, if any;
 - (iii) subscription by the Investment Strategy in the issues lead managed by associate companies;
 - (iv) subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.
 15. The AMC shall file with the trustees the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.
 16. In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.
 17. In case any Company has invested more than 5 per cent of the Net Asset Value of a Investment Strategy or as may be prescribed under SEBI (MF) Regulations, the investment made by that Investment Strategy or by any other Investment Strategy in that Company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed of the in the half yearly and annual accounts respective Investment Strategies with justification for such investment. The said disclosure will be made provided the latter investment has been made within one year of the date of the former investment, calculated on either side.
 18. The AMC shall file with the Trustee and the SEBI:-
 - detailed bio-data of all its directors along with their interest in other companies within fifteen days of their appointment;
 - any change in the interest of directors every six months; and
 - a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be by the SIF during the said quarter
 19. Each director of the AMC shall file with the Trustee details of his transactions or dealings in securities of such value on a quarterly basis in accordance with guidelines issued by the SEBI.
 20. The AMC shall not appoint any person as key personnel who has been found guilty of moral turpitude or convicted of any economic offence or involved in violation of securities laws.
 21. The AMC shall appoint registrars and share transfer agents who are registered with SEBI. If the work relating to the transfer of Units is processed in- house, the charge at competitive market rates may be debited to the Investment Strategy (s) and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
 22. The AMC shall abide by the Code of Conduct as specified in Part A of the Fifth schedule to SEBI (MF) Regulations.
 23. The AMC shall invest such amounts in such Investment Strategies of the mutual fund, based on the risks associated with the Investment Strategies, as may be specified by SEBI from time to time.
 24. The AMC shall not invest in any of its Investment Strategies unless full disclosure of its intention to invest has been made in the Investment Strategy Information Document(s) (ISID); Provided that the AMC shall not be entitled to charge any fees on its investment in that Investment Strategies;
 25. The AMC shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India.
 26. The AMC shall compute and carry out valuation of investments made by the Investment Strategies of the SIF in accordance with the investment valuation norms specified in Eighth Schedule of SEBI (MF) Regulations, and shall publish the same.
 27. The AMC and the Sponsor shall be liable to compensate the affected investors and/or the Investment Strategies for any

- unfair treatment to any investor as a result of inappropriate valuation.
28. The AMC shall report and disclose all the transactions in debt and money market securities, including inter Investment Strategy transfers, as may be specified by SEBI.
 29. The board of directors of the asset management company shall exercise due diligence as follows:
 - a) The board of directors of the AMC shall ensure before the launch of any Investment Strategy that the asset management company has-
 - (i) systems in place for its back office, dealing room and accounting;
 - (ii) appointed all key personnel including fund manager(s) for the Investment Strategy(s) and submitted their bio-data which shall contain the educational qualifications and past experience in the securities market with the Trustees, within fifteen days of their appointment;
 - (iii) appointed auditors to audit its accounts;
 - (iv) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines, instructions, etc., issued by the Board or the Central Government and for redressal of investors grievances;
 - (v) appointed a registrar to an issue and share transfer agent registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and laid down parameters for their supervision;
 - (vi) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - (vii) specified norms for empanelment of brokers and marketing agents;
 - (viii) obtained, wherever required under these SEBI (MF) regulations, prior in principle approval from the recognized stock exchange(s) where units are proposed to be listed.
 - b) The board of directors of the asset management company shall ensure that -
 - (i) the AMC has been diligent in empaneling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with specific brokers;
 - (ii) the AMC has not given any undue or unfair advantage to any associate or dealt with any of the associate of the asset management company in any manner detrimental to interest of the unit holders;
 - (iii) the transactions entered into by the asset management company are in accordance with these SEBI (MF) regulations and the respective Investment Strategy;
 - (iv) the transactions of the SIF are in accordance with the provisions of the trust deed;
 - (v) the network of the asset management company are reviewed on a quarterly basis to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis;
 - (vi) all service contracts including custody arrangements of the assets and transfer agency of the securities are executed in the interest of the unit holders;
 - (vii) there is no conflict of interest between the manner of deployment of the network of the asset management company and the interest of the unit holders;
 - (viii) the investor complaints received are periodically reviewed and redressed;
 - (ix) all service providers are holding appropriate registrations with the SEBI or with the concerned regulatory authority;
 - (x) any special developments in the SIF are immediately reported to the trustees;
 - (xi) there has been exercise of due diligence on the reports submitted by the asset management company
 - (xii) to the trustees;
 - (xiii) there has been exercise of due diligence on such matters as may be specified by the SEBI from time to time.
 30. The compliance officer appointed under sub-clause (iv) of point 30(a) above shall independently and immediately report to SEBI any non-compliance observed by him.
 31. The AMC shall constitute a Unit Holder Protection Committee in the form and manner and with a mandate as may be specified by the SEBI.
 32. The AMC shall be responsible for calculation of any income due to be paid to the SIF and also any income received in the mutual fund, for the unit holders of any Investment Strategy of the SIF, in accordance with the SEBI (MF) Regulations and the trust deed.
 33. The AMC shall put in place an institutional mechanism, as may be specified by the Board, for the identification and deterrence of potential market abuse including front-running and fraudulent transactions in securities.
 34. The Chief Executive Officer or Managing Director or such other person of equivalent or analogous rank and Chief Compliance Officer of the asset management company shall be responsible and accountable for implementation of such an institutional mechanism for deterrence of potential market abuse, including front- running and fraudulent transactions in securities.
 35. The asset management company shall ensure that no change in the fundamental attributes of any Investment Strategy or the trust, fees and expenses payable or any other change which would modify the Investment Strategy and affect the interest of unit holders, shall be carried out unless,—
 - (i) a written communication about the proposed change is sent to each unit holder and an advertisement is issued in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the SIF is situated; and
 - (ii) the unit holders are given an option to exit at the prevailing Net Asset Value without any exit load.
 36. The board of directors of the trustee company and the board of directors of the asset management company, including any of their committees, shall meet at such frequency as may be specified by the Board from time to time. The asset management company shall establish, implement and maintain a documented whistle blower policy that shall —
 - (i) provide for a confidential channel for employees, directors, trustees, and other stakeholders to raise concerns about suspected fraudulent, unfair or unethical practices, violations of regulatory or legal requirements or governance vulnerability, and

- (ii) establish procedures to ensure adequate protection of the whistle blowers.
37. The AMC shall not act as a Trustee of any SIF and not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, or Category I foreign portfolio investor as specified in Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, if any of such activities are not in conflict with the activities of the mutual fund. Provided that the AMC may itself or through its subsidiaries undertake any such activities, if it satisfies SEBI and ensures that the conditions as laid under the applicable regulations are met. Provided further that the AMC may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund subject to complying with the additional conditions viz.
- that the key personnel of the AMC, the systems, back office, bank and securities accounts are segregated activity wise and there exist systems to prohibit access to inside information of various activities;
 - that the capital adequacy requirements, if any, separately for each such activity are met and that separate approval, if necessary under the relevant regulations is obtained; and other directions, as may be specified by SEBI from time to time are adhered to.
38. The AMC may become a proprietary trading member for carrying out trades in the debt segment of a recognised stock exchange, on behalf of a SIF and may also become a self-clearing member of the recognised clearing corporations to clear and settle trades in the debt segment on behalf of its SIF.
39. The AMC for each Investment Strategy shall keep and maintain proper books of account, records and documents, for each Investment Strategy so as to explain its transactions and to disclose at any point of time the financial position of each Investment Strategy and in particular give a true and fair view of the state of affairs of the Fund and intimate to the SEBI the place where such books of account, records and documents are maintained. The AMC shall maintain and preserve for a period of eight years its books of account, records and documents.
40. The asset management company shall conduct stress testing for such Investment Strategy as specified by the Board and disclose the results of the stress testing in the form and manner, as may be specified by the SEBI.
41. The asset management company and the Sponsor shall ensure that its net worth is maintained as per the SEBI MF Regulation and in case of any shortfall therein, shall ensure that it is brought back to the level prescribed under the MF Regulation within the timelines prescribed by SEBI.
42. The board of directors of the asset management company, including any of their committees, shall meet at such frequency as may be prescribed in the SEBI (MF) Regulations.

Duties of Asset Management Company under Regulation 49AB.

(1) The asset management company shall ensure that the Specialized Investment Fund has distinct identification, separate from that of the Mutual Fund, to maintain clear differentiation between the offerings of the Specialized Investment Fund and that of a Mutual Fund.

(2) The asset management company shall comply with the provisions relating to branding, advertising, standard disclaimers, guidelines on usage of sponsor or asset management company or mutual fund's brand name and maintenance of a separate website, as may be specified by the Board from time to time.

D. Information on Key Personnel: -

Name/ Designation	Age/ Educational Qualification	Total No of Years of Experience	Nature of past experience including assignments held during the last 10 years
Ms. Madhu Lunawat Managing Director & CEO	42 years B.com & Chartered Accountant	20 +	Madhu is also the Co-Founder of Pantomath Group, a business spanning Investment Banking, M&A, Asset & Wealth Management, Institutional Equity, and Distribution. Her vision has helped shape the financial landscape, driving SME growth, structuring landmark institutional deals, and executing record-breaking fundraises. Ms. Madhu Lunawat journey includes pivotal roles at Infosys, ASREC, and Edelweiss, where she served as CFO of Edelweiss ARC before taking the entrepreneurial leap
Mr. Prasanna Pathak Deputy CEO	47 years B.Tech & MBA Finance	22	He has served as the Managing Partner at Wealth Company Asset Management Private Limited, a subsidiary of AMC. He has also worked with several other organizations, including Franklin Templeton, UTI MF, Taurus MF, India First Life Insurance Company Limited, and Hindustan Unilever Limited. He started his career as an analyst and gradually moved up as Asst. FM, Fund Manager, Head of Equities and CEO. Prior to joining this group, he was associated with Taurus Mutual Fund as the CEO
Mr. Chinmay Sathe CIO - SIF	48 years B.E, PGDM	21	Mr. Sathe brings with him over 21 years of experience in the Asset Management Services industry, with expertise in fund management,

			<p>equity research and across diverse asset classes.</p> <p>He spent over 11 years at Bajaj Allianz Life as Senior Fund Manager. His earlier stints were with L&T Mutual Fund, DSP Merrill Lynch and UTI Mutual Fund as Equity Research Analyst.</p>
<p>Mr. Neeraj Jain</p> <p>Additional Fund Manager</p>	<p>35 years</p> <p>B.E. (Mechanical) PGDM (MDI Gurugram) CFA (USA)</p>	8	<p>Over 8 years in the financial markets with majority exposure to fixed income market segment.</p> <ol style="list-style-type: none"> 1. April 11, 2024 – October 8, 2025 Fund Manager – Fixed Income, TRUST Asset Management Private Limited 2. June 2021 - April 10, 2024 Dealer – Fixed Income, TRUST Asset Management Private Limited 3. December 2020 - June 2021 AVP – Product Lead, TRUST Asset Management Private Limited 4. June 2017 - November 2020 Institutional Dealer, WDM Desk, TRUST Group 5. June 2013 – August 2014 Trader – Interest Rate Market, Futures First
<p>Abhishu Tailor</p> <p>Research Analyst - SIF</p>	<p>29 years</p> <p>Post Graduate Programme in Management (Finance, Strategy & Analytics)</p>	5	<p>Mr. Abhishu brings over five years of experience across equity research, quantitative analysis and investment strategy. Prior to joining us, Mr. Abhishu was associated with Xerago Securities, where he authored investment notes and developed sector-tracking frameworks for equities, ETFs and commodities. Before that, he worked with QED Capital Advisors LLP as a Quant Analyst & Systems Trader, designing and executing low-drawdown strategies and with RoboCapital, where he conducted in-depth research on small and mid-cap companies and supported portfolio management functions</p>
<p>Mr. Bhalchandra Joshi</p> <p>Chief Operating Officer</p>	<p>59 years</p> <p>MMS- Marketing</p>	26	<p>Mr. Bhalchandra Joshi has over 30 years of experience in the banking and financial services industry, with the last 10+ years in senior leadership roles across asset and wealth management institutions such as 360 ONE, WhiteOak Capital, and Nippon Life India AMC. He has overseen end-to-end operations, compliance frameworks, risk management, and service delivery for mutual funds, PMS, AIF, and offshore platforms. Mr. Joshi has actively contributed to the Mutual Fund industry's regulatory evolution as a key committee member of AMFI (2010–2020) and served as a Board Member of MF Utilities for 7 years. His leadership has been instrumental in aligning operational excellence with SEBI regulations and driving large-scale digital and customer experience transformations.</p>
<p>Mr. Debashish Mohanty</p> <p>Chief Strategic Officer</p>	<p>62 years</p> <p>MA & BA (Economics), PG in Securities Law</p>	39	<p>Mr. Debasish Mohanty has over 35 years of experience in the Indian financial sector, including senior leadership roles across asset management, index services, and pension fund governance. In the last 10 years, he has served as CEO of Airawat Indices Pvt Ltd, Advisor to L&T and HSBC Mutual Fund, and President & National Sales Head at UTI AMC. Currently, he serves as an Independent Director on the board of LIC Pension Funds Ltd (under PFRDA). Mr. Mohanty has been a member of key AMFI committees and is known for his strategic contributions to distribution, product innovation, and regulatory alignment in Mutual Fund operations.</p>
<p>Mr. Manish Ghag</p>	<p>44 years</p>	18	<p>He has over 18 years of experience in risk</p>

Chief Risk Officer	B.COM and Chartered Accountant		management, internal audit, system implementation and investment operations across the mutual fund and BFSI sector. In his most recent role at Trust Asset Management Pvt. Ltd he served as DVP and Chief Risk Officer, where he was responsible for implementing SEBI mandated risk management frameworks and monitoring the same regularly. Before this, he spent over a decade with Principal Asset Management Pvt. Ltd., where he contributed to risk management, internal audits. He has also worked with reputed audit firms including Aneja Associates, M. P. Chitale & Co. and Parikh Joshi & Kothare.
Mr. Sachin Shah Investor Relations Officer	48 years B.Com, PGDBA in Finance	18	Mr. Sachin Shah has over 18 years of experience in the Mutual Fund industry, primarily in Branch Operations and Customer Service. Most recently, he served at Whiteoak Capital Asset Management Ltd., overseeing centralized branch operations and driving process efficiency and service excellence. Mr. Sachin Shah has previously held key positions at ICICI Prudential AMC and Nippon India AMC, with expertise in brokerage operations, transaction processing, and investor servicing.
Mr. Vishal Samant Chief Technology Officer	45 years Masters in Information Management	22	Mr. Vishal Pramod Samant is a seasoned IT and digital transformation leader with nearly 20 years of experience, including over a decade in senior technology roles within the asset management industry. Most recently, he served as Head-IT & CISO at Mirae Asset Investment Managers (India), where he led digital initiatives, automation, infrastructure modernization, and regulatory IT compliance. Prior to this, he held leadership roles at IDFC AMC and ICICI Prudential AMC, implementing key technologies such as investor portals, BI systems, chatbots, and cloud platforms. He has a proven track record in IT strategy, governance, information security, and business process transformation, contributing significantly to operational efficiency and customer experience in SEBI-regulated environments.
Ms. Suruchi Wanare Chief Compliance Officer	58 years B.COM and MBA in Finance	34	Ms. Suruchi brings with her an impressive 34 years of rich and diverse experience in the Mutual Fund industry. Prior to this, she was associated with UTI Mutual Fund for over three decades. During her tenure, she held various leadership roles across branch operations, fund accounting for domestic and offshore schemes, and regulatory compliance. Notably, she served as the Compliance Officer at UTI Mutual Fund, bringing deep insights and expertise in navigating the regulatory landscape.
Mr. Rakesh Trikha Head sales	60 years MA, LLB	35	Mr. Rakesh Trikha is a senior financial services professional with over 35 years of experience in the mutual fund and investment management industry. He spent more than three decades with UTI Mutual Fund/UTI AMC, rising to the position of Senior Executive Vice President – Head of Strategic Alliances, and has led national distribution, banking channels, and strategic partnerships across India, including roles as Channel Head, Zonal Head (West), and Regional Head (Mumbai, Goa, and Delhi). Post UTI, he worked as an Advisor with UTI Mutual Fund and was associated with Citrus Advisors.

			Pvt. Ltd. as National Head – Sales, leading the national sales strategy for Portfolio Management Services (PMS).
Mr. Rouhak Shah Dealer	39 years MBA - Finance, M.com, BMS	16	Over 16 years of experience in the financial services sector as an Equity Trader at Motilal Oswal Mutual Fund, ICICI Prudential Life Insurance and Kotak Life Insurance.
Mr. Vinod Jadhav Chief Information Security Officer	51 years BA	25	Mr. Vinod Arjun Jadhav has over 25 years of IT experience, with the last 10 years in senior leadership positions across reputed financial institutions. He was serving as IT Head & CISO at Taurus Asset Management Co. Ltd. and has previously worked with Navi Technologies Pvt. Ltd. as Associate Manager – IT & CISO for Navi Mutual Fund, Essel Finance AMC as Manager – IT & CISO, and Peerless Funds Management Co. Ltd. as Assistant Manager – IT. His expertise includes managing IT infrastructure (on-premises and cloud), ensuring system and application uptime, implementing security and compliance measures as per SEBI/RBI/IRDAI guidelines, handling audits, overseeing BCP/DR drills, and maintaining investment dealing room compliance.
Mr. Noel Vaz Equity Research Analyst	38 years MBA	8	Mr. Noel Vaz is MBA (Xavier Institute of Management, Bhubaneswar) with over 8 years of equity research experience, including more than 2 years on the buy side. He was an Analyst with Union Asset Management Co. Pvt. Ltd. Further, his prior roles include Analyst at Asian Market Securities Pvt. Ltd., Senior Analyst at Ashika Group – Institutional Research, Senior Research Associate at Evalueserve Pvt. Ltd. His expertise spans fundamental research, report writing, industry analysis, and financial database management, with sector experience in metals, mining, cement, power, telecom, auto, and aviation.
Mr. Rahul Malani Equity Research Analyst	31 years CA, CFA (US), B.COM	8	Mr. Rahul Narayan Malani is a Chartered Accountant and Chartered Financial Analyst (CFA, USA) with over 8 years of experience in Equity Research, Portfolio Management, and Banking. He was working as an Equity Research Analyst with Mirae Asset Sharekhan, He has previously managed proprietary and family portfolios, and held equity research roles with Emkay Global Financial Services, Evalueserve (for Morgan Stanley), and Trivikram Consultants, focusing on fundamental research, financial modelling, investment recommendations, and sector analysis.
Ms. Sejal Vaghela Equity Research Analyst	24 years Bachelor's in accounting & finance	4	Aradhya Hospitality Pvt Ltd - Operations & Accounts Executive Capital Market Publishers Pvt Ltd Customer Support Executive -Finance (Helping Client to extract useful & Accurate data using Capitaline Database)
Ms. Jaylaxmi Gupta Equity Research Analyst	34 years Masters in management studies (Finance) & Bachelor's in management studies		She had been associated with Anand Rathi Stockbrokers, Elara Capital, & IDBI Capital Markets & Securities where she contributed to coverage of various sectors and played a key role in preparing in-dept Company Analysis. Her earlier experience at IDBI Asset Management Ltd. Involved assisting fund managers with stock recommendations and portfolio strategies.
Mr. Basanth Patil Equity Research Analyst	45 years MBA Finance	15	He has 15 years of experience in the Indian equity markets, with extensive sector expertise across Automobiles & Auto Components,

			Building Materials, Cement, and Pipes. Previously, He was associated with TCG AMC, Authum Investment, HDFC Securities, and Quantum Securities, contributing to robust research processes and value-driven investment outcomes.
Ms. Ruchi Jain Equity Research Analyst – SIF	30 years Post Graduate Diploma in Management Studies (Finance)	5	Ms. Ruchi Jain has 5 years of experience in company and industry research, competitive analysis, and market trend studies. She has worked extensively on fundamental equity research, financial statement analysis and valuation to support investment decisions. Her expertise includes providing institutional equity research and advisory across multiple sectors. In her previous roles, she was responsible for initiating coverage, preparing quarterly and annual result updates and IPO analysis. Additionally, she actively engaged with company management and Investor relations teams through analyst meetings and conference calls.
Mr. Soham Mehta Equity Research Analyst – SIF	29 years MBA, ICAI Business School	6	Mr. Soham Mehta has over 6 years of experience in equity research, financial markets, and investment advisory support. During his career, he has worked with Marwadi Chandarana Intermediaries Brokers Pvt Ltd, Haymarket SAC Publishing Ltd, and Dolat Capital Markets Pvt Ltd, where he was involved in market research, financial analysis, and supporting investment-related insights. Earlier in his career, he also worked with Nayan Saraiya Financial Advisors and Malde & Sheth Chartered Accountants, gaining foundational experience in financial advisory support, accounting, and compliance.

E. Procedure and Recording of Investment Decisions:

All investment decisions, relating to the Investment Strategy, shall be undertaken by the AMC in accordance with the SEBI (MF) Regulations, the investment objectives specified in the Investment Strategy Information Document (“ISID”) and the Investment Policy of the AMC. All investment decisions shall be recorded in terms of Point no 12.23 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 MFD/CIR/6/73/2000, dated July June 24, 2024.27, 2000 as amended from time to time. The Chief Executive Officer of the AMC shall inter-alia ensure that the investments made by the fund managers are in the interest of the Unit holders. The Fund Manager shall ensure that the funds of the Investment Strategy(s) are invested in line with the investment objective of the Investment Strategy(s) and in the interest of the Unit holders. A detailed report shall be made before taking any decision to invest in a Company/issuer for the first time. Individual scrip wise reasons shall be recorded by the Fund Manager at the time of placing individual orders.

The AMC has constituted an Investment Management Committee which would comprise of Key employees of AMC. The Investment Strategy shall be managed with a structured investment process which would involve categorically defined parameters which shall be approved by the Investment Management Committee. The Investment Management Committee would ensure the compliance of Investment Policy, Investment Strategy parameters and shall review the performance of the Investment Strategy.

Performance of the Investment Strategy shall be periodically reviewed / monitored by the Boards of the AMC and the Trustee respectively. The said review shall be undertaken vis-à-vis their respective benchmark indices and SIF industry wide peer group. Corrective action can be recommended by the Board of AMC and Trustee in case of unsatisfactory performance

In terms of Point No 1.8 of SEBI Master Circular Dated June 27, 2024 SEBI Circular No. MFD/CIR/01/071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in compliance of the relevant guidelines of SEBI, in this regard.

<p><u>Custodian</u> Name: HDFC Bank Limited Address: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 SEBI Registration No. – IN/CUS/001.</p> <p>The Trustee has appointed 'HDFC Bank Limited' as a Custodian to the Investment Strategy of The Wealth Company Mutual Fund. The Custodian is SEBI approved Custodian. The Custodian shall hold the custody and possession of Securities and investments of the Fund and will discharge all the functions as are ordinarily discharged by a Custodian.</p> <p>The Trustee reserves the right to change the Custodian, if required. The Custodian would be entitled to remuneration for their services in accordance with the terms of the Custodian Agreements.</p>
<p><u>Registrar & Transfer Agent (“Registrar”/ “RTA”)</u> Name: KFIN Technologies Limited SEBI Registration - INR000000221 Address – Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, R. R. District, Telangana 500032</p> <p>The Board of the AMC and the Trustee have satisfied themselves that KFinTech has the adequate capacity to discharge responsibilities with regard to processing of applications and dispatching unit certificates to Unit holders within the time limit prescribed in the SEBI Regulations and has sufficient capacity to handle Investor complaints. As Registrars to the Investment Strategy, KFinTech will handle communications with Investors, perform data entry services and dispatch account statements.</p>
<p><u>Statutory Auditor for WSIF</u> S.R. Batliboi & Co.LLP Address: 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West) , Mumbai-400028, India</p>
<p><u>Legal Counsel</u> There are no retained legal counsels to the SIF or AMC. The AMC uses the services of appropriate legal counsel on a case-to-case basis.</p>
<p><u>Fund Accountant</u> Name: HDFC Bank Limited Address: HDFC Bank House Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.</p>
<p><u>Collecting Bankers</u> For collecting bankers for New Fund Offers (“NFO”), if any, investors may refer the ISID of the relevant Investment Strategy of the SIF</p>

IV. Condensed Financial Information (CFI)

The AMC is in process of launching its Investment Strategy (s), Hence the information required as below is Not Applicable.

Historical as per Unit Statistics	Investment strategy Name		
	2024-25	2023-24	2022-23
NAV at the beginning of the Year (as on April 1)	NA	NA	NA
Dividends	NA	NA	NA
NAV at the end of the year (as on March 31)	NA	NA	NA
Annualized Return	NA	NA	NA
Net Assets end of the period (INR Crs.)	NA	NA	NA
Ratio of recurring expenses to net assets	NA	NA	NA

V. RISK FACTORS

1. Standard Risk Factors

Some of the specific risk factors related to the Investment strategy include, but are not limited to the following:

a) Standard Risk Factors for investment in SIF

- i) SIFs and securities investments are subject to market risks and there is no assurance or guarantee that the SIF's objective will be achieved.
- ii) As the price / value / interest rates of the securities in which the Investment Strategy invests fluctuates, the value of your investment in the Investment Strategy may go up or down
- iii) Past performance of the Sponsor / AMC / Mutual Fund / SIF or its affiliates does not guarantee the future performance of the Investment Strategy of the SIF.
- iv) The sponsor of The Wealth Company Mutual Fund, is not responsible or liable for any loss resulting from the operation of the WSIF beyond the initial contribution made by it.
- v) The name of the Investment Strategy does not in any manner, indicate either the quality of the Investment Strategy or its future prospects and returns
- vi) The NAV of the Investment Strategy's Units may be affected by change in the general market conditions, factors and forces affecting capital markets in particular, level of interest rates, various market related factors and trading volumes
- vii) The Investment Strategy launched by SIF is not a guaranteed or assured return Investment Strategy
- viii) Investment in units of Investment Strategy involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.

b) Risks associated with different derivative strategies

- i) The AMC, on behalf of the Investment Strategy may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Investors should understand that derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include but are not limited to the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. There may be a cost attached to selling or buying futures or other 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 futures contract or listed option may result in inability to close futures or listed option positions prior to their maturity date.
- ii) Derivatives, being leveraged instruments, can lead to both amplified gains and heightened losses. While they can be used to enhance portfolio efficiency or manage risk, their application involves a higher degree of complexity. The effectiveness of derivative strategies depends on accurate assessment of market conditions and timely execution. However, identifying and implementing such strategies involves uncertainty and there is no assurance that these strategies will consistently generate positive outcomes.
- iii) The risks associated with derivatives may be different from, or potentially greater than, those associated with direct investments in equities or other traditional securities. Investors should be aware that such instruments can increase the volatility of the portfolio under certain market conditions. The Investment Strategy will be predominantly actively managed, with the use of derivatives forming an integral part of the investment and risk management process.
- iv) No assurance can be given that the fund manager will be able to identify or execute such strategies.
- v) The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- vi) Covered call strategies offer limited downside protection and cap upside gains. Risks include poor execution due to low option liquidity, difficulty rolling positions in volatile markets, margin calls if using leverage, and forced stock sale if assigned near expiry.
- vii) Unhedged naked option positions carry unlimited risk and no downside protection.

c) Other Risk Factors

(i) Risk associated with Backstop facility in form of Investment in Corporate Debt Market Development Fund (CDMDF):

- CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented SIF Investment Strategy to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus, this backstop facility will help fund managers of the aforementioned Investment Strategy to better generate liquidity during market dislocation to help the Investment Strategy fulfill liquidity obligations under stress situation.
- In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Investment Strategy of SIF in units of Corporate Debt Market Development Fund, the aforementioned Investment Strategy shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of Investment Strategy AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to

CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

- We would further like to bring to the notice of the investors that investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.
- The risks associated with CDMDF are given below:
- Default Risk: CDMDF invests in corporate debt, which exposes it to the risk of issuer defaults and credit downgrades. In periods of market dislocation, the fund may hold distressed or lower rated debt, increasing the potential for credit losses.
- Liquidity Risk: The Fund's ability to provide liquidity support during market stress may be constrained
- Borrowing and leverage Risk: CDMDF may borrow from financial institutions to finance its corporate debt purchases. This leverage amplifies potential risks, particularly if market conditions deteriorate further.
- Loss absorption: Mutual funds selling to CDMDF bear the risk of first loss, as per the prescribed loss absorption mechanism. This could result in losses for the Investment Strategy of SIF involved, particularly during severe market dislocations.

(ii) Liquidity Risk Management (LRM)

All open ended debt Investment Strategy (except Overnight Fund, Gilt Fund and Gilt Fund with 10-year constant duration) adopts the Liquidity Risk Management Framework (LRM) as mandated by SEBI and AMFI, which requires Investment Strategy Portfolio to maintain certain portion of their investments in liquid assets. This portion as required to be kept, is ascertained basis the Investment Strategy's liability profile, i.e. investor profile. This framework seeks to estimate a likely quantum of redemption that the Investment Strategy is expected to face over the next 30 days and requires the Investment Strategy to maintain liquid assets to that extent as a minimum requirement. The Framework also enumerates corrective actions to be taken in the event of any shortfall owing to higher redemption than estimated. The Investment Manager also have in place an Asset Liability Mismatch (ALM) Framework which monitors similar aspects for a longer tenure of 90 days and ensures that Investment Strategy assets are always adequate to cater to liabilities. Investors may note that the minimum investment made by the Investment Strategy pursuant to the circular / regulation in compliance with Liquidity Risk Management framework (LRM) circular mandated by the SEBI may not perform in line with other investments and the investment objective of the Investment Strategy and the AMC will not have the option to alter the said investments

(iii) Risk factors for swing pricing:

As per SEBI provision 4.10 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Swing pricing framework is applicable to open ended debt mutual fund Investment Strategy (except overnight funds, Gilt funds and Gilt with 10-year maturity funds). Swing Pricing refers to a process for adjusting a fund's net asset value (NAV) to effectively pass on the transaction costs stemming from net capital activity (i.e. flows into or out of a Investment Strategy) to the investor associated with that activity. This will ensure fairness of treatment of all investors i.e. whether entering, exiting or remain invested in the Investment Strategy, particularly during the market dislocation. When the Swing Framework is triggered and swing factor is made applicable, both the incoming (unit holders who submit purchase/switch-in requests) and outgoing investors (unit holders who submit redemption/switch out requests) shall get NAV adjusted swing factor.

(iv) Risk factors associated with investing in equities and equity related instruments

- Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Investment strategy unless they can afford to take the risks.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the investment strategy portfolio risk.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Investment strategy incurring losses till the security is finally sold.
- Investment strategy's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.

(v) Risk factors associated with investing in Fixed Income Securities

- The Net Asset Value (NAV) of the Investment strategy, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Investment strategy is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Investment strategy and may lead to the Investment strategy incurring losses till the security is finally sold. Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. This may increase the risk of the portfolio. The Investment Manager will endeavour to manage credit risk through in house credit analysis.

- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Investment strategy to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Investment strategy.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Investment strategy 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.
- **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Investment strategy are uninvested and no return is earned thereon. The inability of the Investment strategy to make intended securities purchases, due to settlement problems, could cause the Investment strategy to miss certain investment opportunities. Similarly, the inability to sell securities held in the Investment strategy's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Investment strategy in the event of a subsequent decline in the value of securities held in the Investment strategy's portfolio.
- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Investment strategy would invest as given in the Investment Strategy Information Document carry different levels and types of risk. Accordingly, the Investment strategy risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.
- The Investment strategy at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
- **Risks associated with investment in unlisted securities:**
Except for any security of an associate or group company, the investment strategy can invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Investment strategy will realise their investments in unlisted securities at a fair value.
- Investment in unrated instruments may involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

(vi) Risks associated with Investing in Structured Obligation (SO) & Credit Enhancement (CE) rated securities

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/ mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.
- **Liquidity Risk:** SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the investment strategy to sell such debt instruments and generate liquidity for the investment strategy or higher impact cost when such instruments

are sold.

- **Credit Risk:** The credit risk of debt instruments which are CE rated is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

(vii) Risk factors associated with investment in Tri-Party Repo

The Mutual Fund/SIF is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the SIF in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the investment strategy is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses out of any default by its members from Triparty Repo trades. The fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the investment strategy may lose an amount equivalent to its contribution to the default fund.

(viii) Risk factors associated with Repo in Corporate Debt Securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo in corporate debt securities is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. Some of the risks associated with repo in corporate debt are given below:

- **Counterparty Risk:** Counterparty risk refers to the inability of the seller to meet the obligation to buy back securities at the contracted price on the contracted date. In case of over the counter (OTC) repo trades, the investment manager will endeavour to manage counterparty risk by dealing only with counterparties having strong credit profiles. Also, the counterparty risk is to an extent mitigated by taking collateral equivalent in value to the transaction after knocking off a minimum haircut on the intrinsic value of the collateral. In the event of default by the repo counterparty, the investment strategy shall have recourse to the corporate debt securities. In case the repo transaction is executed on exchange platform approved by RBI/SEBI, the exchange may also provide settlement guarantee.
- **Collateral Risk:** Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk can be partly mitigated by restricting participation in repo transactions only in corporate debt securities which are approved by credit risk team. Additionally, to address the risk related to reduction in market value of corporate debt security held as collateral due to credit rating downgrade, the repo contract can incorporate either an early termination of the repo agreement or call for fresh margin to meet the minimum haircut requirement or call for replacement of security with eligible security. Moreover, the investment manager may apply a higher haircut on the underlying security than required as per RBI/SEBI regulation to adjust for the illiquidity and interest rate risk on the underlying instrument. To mitigate the risk of price reduction due to interest rate changes, the adequacy of the collateral can be monitored on a daily basis by considering the daily market value & applying the prescribed haircut. The investment manager or the exchange can then arrange for additional collateral from the counterparty, within a prespecified period. If the counterparty is not able to top-up either in form of cash / collateral, it would tantamount to early termination of the repo agreement, and the outstanding amount can be recovered by sale of collateral.

(ix) Risk factors associated with investing in Non- Convertible Preference Shares

- **Credit Risk:** Credit risk is the risk that an issuer will be unable to meet its obligation of payment of dividend and/ or redemption of principal amount on the due date. Further, for noncumulative preference shares, issuer also has an option to not pay dividends on preference shares in case of inadequate profits in any year.
- **Liquidity Risk:** The preference shares generally have limited secondary market liquidity and thus we may be forced to hold the instrument till maturity.
- **Unsecured in nature** - Preference shares are unsecured in nature and rank lower than secured and unsecured debt in hierarchy of payments in case of liquidation. Thus there is significant risk of capital erosion in case the company goes into liquidation.

(x) General Risk factors

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the

Investment strategy. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Investment strategy can go up or down because of various factors that affect the capital markets in general.

- As the liquidity of the investments made by the Investment strategy could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or restructuring of the Investment strategy. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances.
- At times, due to the forces and factors affecting the capital market, the Investment strategy may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Investment strategy. The Investment strategy may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Investment strategy to be adopted by the Investment strategy may carry the risk of significant variance between the portfolio allocation of the Investment strategy and the Benchmark particularly over a short to medium term period.
- Performance of the Investment strategy may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions, and taxation policies.

(xi) Risk factors associated with investing in Foreign Securities

- **Currency Risk:** Moving from Indian Rupee (INR) to any other currency entails currency risk. To the extent that the assets of the Investment strategy will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee.
- **Interest Rate Risk:** The pace and movement of interest rate cycles of various countries, though loosely co-related, can differ significantly. Hence by investing in securities of countries other than India, the Investment strategy stand exposed to their interest rate cycles.
- **Credit Risk:** Investment in Foreign Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. This is substantially reduced since the SEBI (MF) Regulations stipulate investments only in debt instruments with rating not below investment grade by accredited/registered credit rating agency.
- **Taxation Risk:** Investment in Foreign Securities poses additional challenges based on the tax laws of each respective country or jurisdiction. The investment strategy may be subject to a higher level of taxes than originally anticipated and or dual taxation. The Investment strategy may be subject to withholding or other taxes on income and/or gains arising from its investment portfolio. Further, such investments are exposed to risks associated with the changing / evolving tax / regulatory regimes of all the countries where the Investment strategy invests. All these may entail a higher outgo to the Investment strategy by way of taxes, transaction costs, fees etc. thus adversely impacting its NAV; resulting in lower returns to an Investor.
- **Legal and Regulatory Risk:** Legal and regulatory changes could occur during the term of the Investment strategy which may adversely affect it. If any of the laws and regulations currently in effect should change or any new laws or regulations should be enacted, the legal requirements to which the Investment strategy and the investors may be subject could differ materially from current requirements and may materially and adversely affect the Investment strategy and the investors. Legislation/ Regulatory guidelines could also be imposed retrospectively.
- **Country Risk:** The Country risk arises from the inability of a country, to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country, which might adversely affect foreign investors' financial interests. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilisation of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.
- To manage risks associated with foreign currency and interest rate exposure, the fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/ RBI from time to time.

(xii) Risk factors associated with investing in Derivatives

- The AMC, on behalf of the Investment strategy may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with

investing directly in securities and other traditional investments.

- **Credit Risk:** The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction
- **Market Risk:** Market movements may adversely affect the pricing and settlement of derivatives.
- **Illiquidity risk:** This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

(xiii) Risks Factors associated with investing in Derivatives for short exposure

- Derivative strategies are designed to capitalize on price movements in underlying assets. However, significant market volatility may lead to substantial losses, particularly in directional strategies or uncovered positions, where unexpected price swings could impact performance.
- Strategies employing options, are subject to time decay, where the value of options decreases as expiration nears. If anticipated price movements do not materialize within the option's lifespan, these positions may become unprofitable, affecting returns.
- Derivative trading involves costs such as premiums, commissions, and bid-ask spreads, which can erode returns. This is particularly relevant for strategies with narrow profit margins, or complex strategies like spreads and combinations requiring multiple transactions.
- Certain derivatives may exhibit lower liquidity, resulting in wider bid-ask spreads or challenges in entering or exiting positions at optimal prices. This may increase costs or complicate trade execution, especially in advanced strategies like diagonal spreads or synthetic positions.
- Sudden market events or shifts in implied volatility can disrupt strategies, which rely on the underlying asset remaining within a specific price range. Misalignment with market conditions may lead to losses.
- Strategies involving short positions, such as synthetic stock or income generation through writing options, may require significant margin reserves. Failure to meet margin obligations could result in forced liquidations at unfavorable prices, impacting portfolio performance.

(xiv) Additional Risk viz. Basis Risk associated with imperfect hedging using Interest Rate Futures (IRF): The imperfect correlation between the prices of securities in the portfolio and the IRF contract used to hedge part of the portfolio leads to basis risk. Thus, the loss on the portfolio may not exactly match the gain from the hedge position entered using the IRF.

(xv) Risk factors associated with Securities Lending: As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Investment strategy and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The investment strategy may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

(xvi) Risk factors associated with investing in Securitised Debt : The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive.

- **Limited Liquidity & Price Risk**

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

- **Limited Recourse, Delinquency and Credit Risk**

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an 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 to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise 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.

- **Risks due to possible prepayments and Charge Offs**

In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).

- **Bankruptcy of Bank with Liquidity facility**

If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments.

- **Risk of Co-mingling**

With respect to the Certificates, the Servicer will deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections

from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

(xvii) **Risk factors associated with investments in Perpetual Debt Instrument (PDI)**

Perpetual Debt instruments are issued by Banks, NBFCs and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

Key Risk Factors: -

• **Risk on coupon servicing**

Banks

As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/ payment of coupons. In the event of non-availability of adequate distributable reserves and surpluses or inadequacy in terms of capital requirements, RBI may not allow banks to make payment of coupons.

NBFCs

While NBFCs may have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.

Corporates

Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.

• **Risk of write-down or conversion into equity**

Banks

As per the regulatory requirements, Banks have to maintain a minimum Common Equity Tier- 1 (CET-1) ratio of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates.

• **Risk of instrument not being called by the Issuer**

Banks

The issuing banks have an option to call back the instrument after minimum specified period from the date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Investment strategy may have to hold the instruments for a period beyond the first call exercise date.

NBFCs

The NBFC issuer has an option to call back the instrument after minimum specific period as per the regulatory requirement from date of issuance and thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Investment strategy may have to hold the instruments for a period beyond the first call exercise date.

Corporates There is no minimum period for call date. However, if the corporate does not exercise the call option, the Investment strategy may have to hold the instruments for a period beyond the call exercise date.

(xviii) **Risk factors associated with Short Selling**

Short-selling is the sale of shares which are not owned by the seller at the time of trade. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the loan. If the price of the stock corrects, Short seller can buy the stock back for less than he received for selling it and earn profit (the difference between higher short sale price and the lower purchase price). If the price of stock appreciates, short selling results in loss. Thus, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.

(xix) **Risk factors associated with processing of transaction through Stock Exchange Mechanism**

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

(xx) **Risk factors associated with REITs and InvITs:**

• **Price Risk:** Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices is a fluctuation in general market conditions, factors and forces affecting capital market, Real Estate and Infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.

• **Interest Rate Risk:** Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.

• **Credit Risk:** Credit risk means that the issuer of a REIT/InvIT security/ instrument may default on interest payment or even on paying back the principal amount on maturity. Securities/ Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

• **Liquidity Risk:** This refers to the ease with which securities/instruments of REITs/InvITs can be sold. There is no

assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.

• **Reinvestment Risk:** Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or Dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

• **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, compete effectively or make distributions.

(xxi) Risk factors associated for investments in SIF Investment strategy

1. Movements in the Net Asset Value (NAV) of the Investment strategy may impact the performance. Any change in the investment policies or fundamental attributes of this Investment strategy will affect the performance of the Investment strategy to the extent of investment in such investment strategy.
2. Redemptions in this Investment strategy would be subject to applicable exit loads.

2. Special Considerations

- I. As the liquidity of the investment strategy investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Specialized Investment Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the investment strategy portfolios. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances.
- II. Neither the ISID and SAI, nor the Units have been registered in any jurisdiction. The distribution of the ISID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of the ISID and the SAI in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of the ISID or any accompanying application form in such jurisdiction may treat the ISID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirement.
- III. The Specialized Investment Fund is not assuring any returns nor is it assuring that it will make periodic distributions. All Income Distribution cum capital withdrawal (IDCW) distributions are subject to the investment performance of the investment strategy, availability of distributable profits and computed in accordance with SEBI (MF) Regulations
- IV. The Specialized Investment Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in the ISID/SAI in connection with issue of Units under any of the investment strategy of WSIF. Prospective investors are advised not to rely upon any information or representations not incorporated in ISID/SAI as the same have not been authorized by the Specialized Investment Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in ISID/ SAI or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- V. Suspicious Transaction Reporting: If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/any other person.
- VI. The AMC and its Registrar reserve the right to disclose/share investors' personal information with the following third parties:
 - a) Registrar, Banks and / or authorised external third parties who are involved in transaction processing, dispatches, etc., of investors' investment in the investment strategy;
 - b) Distributors or Sub-brokers or Registered Investment Advisors through whom applications of investors are received for the investment strategy; or;
 - c) Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.
 - d) Account statements or financial information pertaining to the investor, if it is to be sent over the internet to the Unitholder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through encrypted electronic mail.
- VII. Non-Individual Investors should note the following:
 - a) A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form.
 - b) In case of application for any transaction, the authorized signatories/officials should sign such application under their official designation and as per the authority granted to them under their constitutional documents/board resolutions etc.
 - c) In case a generic board resolution authoring investment has been submitted, the AMC/Fund reserves the right to consider such generic resolution as a valid authorisation for all other financial and non-financial transactions including but not limited to redemption/switches etc. Accordingly, all transactions executed by the officials named in such generic resolution would be processed by the AMC/Fund.

- VIII. The tax benefits described in the Investment Strategy Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advice received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in any of the investment strategy will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his/her own professional tax advisor.
- IX. Investors should study the Investment Strategy Information Document and the Statement of Additional Information carefully in its entirety and should not construe the contents as advice relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem Units.
- X. Any dispute arising out of any of the investment strategy shall be subject to the exclusive jurisdiction of the Courts in India. Statements in the Investment Strategy Information Document and Statement of Additional Information are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.
- XI. The Specialized Investment Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Specialized Investment Fund may disclose such details to the bankers / its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Specialized Investment Fund may disclose details of the investor's account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law.
- XII. Suspension of re-purchase and restriction on redemption of units: Subject to the approval of the Boards of the AMC and the Trustee and subject to necessary prior communication to SEBI, determination of NAV of the units under any Investment Strategy of SIF may be temporarily suspended, leading to consequent suspension of purchase of units, in any of the following events: a) When one or more stock exchanges or markets, which provide the basis for valuation for a substantial portion of the assets of the Investment Strategy, is/are closed, otherwise than for ordinary holidays. b) When, as a result of political, economic or monetary events or any circumstance outside the control of the trustee and the AMC, disposal of the assets of the Investment Strategy is not reasonable, or would not reasonably be practicable without being detrimental to the interests of the unit holders. c) In the event of a breakdown in the means of communication used for the valuation of investments of the Investment Strategy, without which the value of the securities of the Investment Strategy cannot be accurately arrived at. d) During periods of extreme volatility of markets, which in the opinion of the AMC, are prejudicial to the interests of the unit holders. e) In the case of natural calamities, pandemic, strikes, riots, bandhs etc. f) In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar or If the Trustees are of the opinion that the suitable investment opportunities are not available for deployment of funds. g) If so directed by SEBI.

VI. HOW TO APPLY

This section must be read in conjunction with the section 'Units and Offer' of the ISID of the respective Investment Strategy(s) of the SIF

Investors can obtain the application forms along with the Key Information Memorandum (KIM) and copies of this SAI and respective Investment Strategy Information Document (ISIDs) from the website of the AMC <https://www.wealthcompanyamc.in/wsif/>. Application Forms can also be collected and submitted at any Official Points of Acceptance (OPA) of WSIF i.e the designated Investor Service Centres of the AMC and KFINTECH.

Investors may obtain latest addresses of Official Points of Acceptance of Transactions from the relevant ISID or by calling the AMC/Registrar. This information is also available on the website of the AMC.

Investors should mandatorily use the Application Forms, Transactions Request, SIP/STP/SWP forms and other standard forms for any financial/non-financial transactions. Any transactions received in any non-standard forms are liable to be rejected subject to terms and conditions of the standard forms and Investment Strategy related documents. Investor using application form/ transaction request for financial/ non- financial transactions not provided by the Fund shall declare that they have read and understood the contents of the Investment Strategy Information Document and Statement of Additional Information, Key Information Memorandum, instructions and addenda issued by WSIF from time to time.

As per the SEBI guidelines, in respect of New Fund offers (NFO), investors will also have an option to make an application / payment under the Applications Supported by Blocked Amount (ASBA) facility. This facility is available to all investors eligible to invest in the Investment Strategy of SIF. The applications under ASBA facility will be subject to the directives issued by SEBI from time to time. Please refer to the paragraph "Facility of Applications Supported by Blocked Amount ("ASBA") as an additional mode of payment" below for further details on this facility. Investors are requested to note that no transaction shall be accepted on a day which is a public holiday or non-business days or local holiday at an Investor Service Centre/ Official Points of Acceptance of Transaction.

Requirements/Procedure for Transacting with us

Investors can purchase units of the Investment Strategy by completing an application form and delivering it at any of the Investor Service Centres designated by the AMC on or before the closure of the New Fund Offer Period / once the Investment Strategy is available for continuous subscription, during business hours at any of the Official Point of Acceptance of Transactions (OPAT) designated by the AMC.

Investors can also perform digital transactions to purchase units of the Investment Strategy on the website of the AMC (<https://www.wealthcompanyamc.in/wsif/>) or through any other electronic mode introduced from time to time.

In case of physical applications, investors should provide details/instructions only in the space provided in the relevant form in Block Letters and in English language. Any correction or change made in the Application Form should be countersigned by the investor(s). Further, any details/noting/information/instruction provided at a non-designated area of the standard form being used, or any additional details for which space is not designated in the standard form, may not be executed by the AMC. If the details are not mentioned clearly or in capital case, the AMC will endeavour to capture client and transaction details on a best effort basis and will not be liable towards data entry errors due to illegible or unclear handwriting. Hence, investors should check all details as mentioned in the Account Statement or request for details of Statement of Account. Facility of requesting for account statement(s) is available on <https://www.wealthcompanyamc.in/wsif/>

Existing investor(s) should ensure that there is no clubbing of transaction requests for financial and non-financial instructions (update any profile information like contact details, nomination etc) and separate request in standard forms be submitted for updation of all non-financial instructions. In case, any such request is received, then AMC reserves the right to ignore the non-financial information without any intimation and execute the financial transaction request subject to all applicable validations.

The official point of acceptance of transaction will time stamp, and return the acknowledgement slip in the application form, to acknowledge receipt of the application, subject to verification. No other form of acknowledgement will be provided.

Investors should retain the acknowledgement evidencing submission of the transaction till they receive a confirmation of acceptance or rejection of transaction. In case of difference of details in acknowledgement vis-à-vis actual transaction document, the details as mentioned on transaction document will prevail.

Irrespective of the mode of submission, all application(s) should contain the primary account holder's own e-mail ID and mobile number for speed and ease of communication in a convenient manner and to help prevent fraudulent transactions. In case contact details of a family member are provided, investor(s) need to give a declaration to this effect. "Family" for this purpose would mean Spouse, Dependent Children, Dependent Parents, Dependant Siblings and Guardian in case of a minor. Option to indicate if the contact information belongs to PMS, Custodian and Power of Attorney has also been provided. Where the email id, mobile number are not provided or where provided but the same is found to be invalid or seems to be not pertaining to the investor or any of the immediate family member or is of an advisor or any other agency, then AMC/ RTA reserves the right to remove the email id, mobile number without any notice. Alternatively, the AMC reserves the right to update email id, mobile number from KYC records of SEBI designated KYC Registration Authority (KRA).

Account statements, newsletter, annual reports and other communication(s), including statutory communication(s), will be sent through email/ SMS only instead of physical, for investors who provide their email address/mobile. Should such investor(s), wish to have a physical copy, they are requested to send a request to the AMC/RTA. It is deemed that the applicants are aware of all the security risks associated with online communication, including possible third-party interception of documents sent via email.

Investor Authentication

In case of subscription and redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used for authentication. One of the factors for such Two-Factor Authentication for non-demat transaction shall be a One-Time Password (OTP) sent to the unit holder at his/her email/ mobile number registered with the AMC/RTA. In case of demat transaction, process of Two-Factor authentication as laid down by the Depositories shall be followed. In case of mandates/systematic transactions the requirement of Two-Factor Authentication shall be applicable only at the time of registration of mandate/systematic transactions.

Signature(s) in physical application form(s) should be in English or in any of the Indian languages specified in the Eighth Schedule of the Constitution of India. In case of Thumb impressions and signatures in languages not specified in the Eighth Schedule of the Constitution of India should be attested by a magistrate or a Notary Public or a special Executive Magistrate under his/her official seal. Application by minors should be signed by their guardian(s). In the case of an HUF, the Karta should sign on behalf of the HUF. In the case of company or other non-individual entities, the Authorized officials should sign the form under their official designation and affix the seal of the entity. The signatures should match with the authorised signatory list (ASL).

In case of change in authorised officials, entities should promptly get the information updated in our records by submitting new Board Resolution, ASL and any other required documents at any OPAs.

The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard or where any investor is suspended / debarred by any statutory or government authority. Further, the Trustees may reject any application for purchase of Units, if in its opinion, increasing the size of the Unit Capital is not in the general interest of the Unit Holders, or if for any other reason it does not believe it would be in the best interest of the Investment Strategy or its Unit Holders to accept such an application. Refund(s), if any will be made within 5 business days from the date of rejection / identification of remitter information of the credits received by the Fund, whichever is later.

By choosing to invest in the SIF, it is construed that investor is providing explicit consent to AMC, RTA and other entities engaged by AMC to process investor data in their roles as per existing & prospective processes determined by SIF/AMC from time to time. The AMC and its Registrar reserve the right to disclose the details of the investors and their transactions to third parties viz. banks, couriers, stock brokers or registered investment advisors or any other parties through whom the application has been sourced or facilitated, printers and any other organization for the purpose of transaction confirmations and/or execution, redemption payouts,

data validations, compliance with legal and regulatory requirements, or for complying with anti-money laundering requirements. All investments and interactions with AMC/ its Registrar will be done with full knowledge of the above necessity and consent for such sharing.

KYC Requirements:

KYC (Know Your Customer) norms are mandatory for ALL investors (including existing investors and joint holders), who wish to make investments in SIF, irrespective of the amount of investment. Investments where KYC is not completed, is liable to be rejected.

KYC shall also be mandatory for:

- Constituted Power of Attorney (PoA) holder(s), in case of investments through PoA.
- each of the applicants, in case of application in joint names.
- Guardian investing on behalf of minor
- if an individual becomes an investor due to an operation of law, e.g., transmission of units upon death of an investor, the claimant / person(s) entering the Register of unit holders of the Fund will be required to KYC compliant before such transfer takes place.
- Non-Individual Investors
- In case of non-individuals, each Ultimate Beneficial Owner (UBO) must be KYC compliant.

Existing KYC compliant investors of the SIF/Mutual Fund need not undergo the same process again with the SIF, subject to validation of KYC compliance status. However, the Fund/AMC reserves the right to carry out new KYC of the investor at its discretion. All the prospective and existing investors / Unit holders of the Fund are requested to note that, pursuant to SEBI Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 regarding uniformity in KYC process in the securities market and development of a mechanism for centralization of the KYC records. Accordingly, Central Registry of Securitisation and Asset Reconstruction and Security interest of India ('CERSAI') has been authorised by Government of India to act as Central KYC Records Registry under Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 ('PMLA Rules') and SEBI has mandated that the SIF/ AMC should capture KYC information for sharing with Central KYC Records Registry (CKYCR) as per the KYC template prescribed by CERSAI. Details of investors shall be uploaded on the system of CKYCR and a 14-digit unique KYC identifier ('KIN') will be generated. Investors, who have already completed CKYC process & have obtained KIN should quote their KIN in the application form(s).

Know your Customer (KYC) Procedure:

Requirement of PAN:

In order to strengthen the KYC norms and identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions, PAN shall be the unique identification number for all participants transacting in the securities market, irrespective of the amount of transaction.

The registered intermediaries shall verify the PAN of their clients online at the Income Tax website. Permanent Account Number (PAN) is mandatory for all the purchases/additional purchases irrespective of the amount of investments for all the existing and prospective investors (including NRIs) including joint holders and guardians in case of investments by Minors.

The following are exempted from the mandatory requirement of PAN:

- Transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.
- Residents of the State of Sikkim are also exempt from the requirement of PAN for investing in mutual funds, subject to submission of proof of address evidencing their status as a Sikkim resident and fulfilment of KYC documentation requirements as prescribed by SEBI/AMFI.
- UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.

Exempted investors are required to provide alternate proof of identity in lieu of PAN for KYC purposes and are allotted PAN-exempt KYC Reference Number (PEKRN).

No transactions (Systematic transaction, lumpsum, redemption) shall be permitted in such folios wherein valid PAN/ PEKRN details are not available.

Methods for completing KYC process:

Physical KYC process:

To bring uniformity in KYC process, SEBI has introduced a common KYC application form for all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc. All the new investors are therefore requested to use the Common KYC application form to apply for KYC and mandatorily undergo - In Person Verification (IPV) requirements with SEBI registered intermediaries including Mutual Funds. For Common KYC Application Form please visit our website <https://www.wealthcompanyamc.in/wsif/>

The AMC shall perform the initial KYC of its new investors and upload the details of the investors on the system of the KYC Registration Agency (KRA). Registrar and Transfer Agent (RTA) of the Fund may also undertake the KYC of the investors on behalf

of the AMC. Further, the government has introduced Central KYC (CKYC) which is a mechanism for centralization of the KYC records. Accordingly, the KYC data will get passed onto the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) for generation of the KYC Identification number (KIN) of the investor.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the nearest point of acceptance.

The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of Aadhar Card/ passport/ driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/SIF. If the investor(s) or the person making payment on behalf of the investor(s), refuses / fails to provide the required documents/ information within the period specified in the communication(s) sent by the AMC to the investor(s) then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and / or to freeze the folios of the investor(s), reject any application(s)

/ allotment of Units and effect mandatory redemption of Unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard. The KYC documentation shall also be mandatorily complied with by the holders by virtue of operation of law e.g. transmission, etc. SIF, AMC, Trustee Company and their Directors, employees and agents shall not be liable in any manner for any liability arising whatsoever on account of freezing the folios / rejection of any application / allotment of units or mandatory redemption of units due to non-compliance with the provisions of the Act, SEBI circular(s) and KYC policy and / or where the AMC believes that transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

Digital KYC process:

The investor shall visit the <https://www.wealthcompanyamc.in/sif/> of the AMC and go on new investor section and fill up the required details and online KYC form and submit requisite documents.

Irrespective of the mode of KYC application, where the KYC application is given along with the purchase/switch and where the purchase/switch is processed based on KYC application or based on KYC status as In-Process, the purchase/switch may be rejected/reversed in case the KYC is subsequently rejected or is on Hold. In such rejections/reversals, refund of the subscription amount without any interest would be made to the investor within 5 business days from the date of rejection / reversals.

Ultimate Beneficial Ownership (UBO)

Pursuant to SEBI Master Circular dated June 6, 2024 on 'Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules framed there under', as amended from time to time, investors (other than Individuals) are required to provide details of 'Ultimate Beneficial Owner(s) (UBO).

A 'Beneficial owner' is defined as a natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted and includes a person who exercises ultimate effective control over a legal person or arrangement. In this regard, all categories of investors (including all new / existing investors / unitholders) (except individuals, companies listed on a stock exchange or majority-owned subsidiary of such companies) are mandatorily required to provide beneficial ownership details for all investments. Failing which, the SIF/AMC reserves the right to reject applications / subscription requests / additional subscription requests (including switches) / restrict further investments or seek additional information from investors who have not provided the requisite information on beneficial ownership.

Applicability:

Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.

In case the investor or the owner of the controlling interest is an entity listed on a stock exchange in India, or it is an entity resident in jurisdictions notified by the Central Government and listed on stock exchanges in such jurisdictions notified by the Central Government, or it is a subsidiary of such listed entities, the details of shareholders or beneficial owners are not required to be provided.

Each Ultimate Beneficial Owner (UBO) has to be KYC compliant

In case of any change in the beneficial ownership, the investor should immediately intimate the AMC / its Registrar / KRA, as may be applicable, about such changes.

Identification Process:

For Investors other than Individuals or Trusts:

If the investor is an unlisted company, partnership firm or unincorporated association / body of individuals, the beneficial owners are the natural person/s who are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.

Controlling ownership interest means ownership of /entitlement to:

- more than 10% of shares or capital or profits of the juridical person, where juridical person is a company;
- more than 10% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or
- more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

In cases, there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

Where no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

For Investor which is a Trust:

In case of a Trust, the settlor of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

For Foreign Investors:

The Know Your Client requirements in case of foreign investors viz. Foreign Portfolio Investors (FPIs), Sub accounts and identification of beneficial ownership of the investor shall be as specified in SEBI regulations.

Foreign Account Tax Compliance Act (FATCA) & Common Reporting Standard (CRS) FATCA:

The Government of India and US Government have signed an Inter-Governmental Agreement (IGA) on July 9, 2015, to implement FATCA. Pursuant to the reporting requirements mandated under FATCA, the AMC would be required, from time to time:

To undertake necessary due diligence process by collecting information/documentary evidence about US/Non-US status of the investors/unit holders and identify US reportable accounts; and

To disclose/report information about the holdings, investments returns pertaining to US reportable accounts to the specified US agencies and/or such Indian authorities as may be specified under FATCA guidelines or under any other guidelines issued by Indian Regulatory Authorities such as SEBI, Income Tax etc. (collectively referred to as 'the Guidelines').

FATCA due diligence will be applicable at each investor/unit holder (including joint holders) level and on being identified as reportable person/specified US person, all folios/accounts will be reported including their identity, direct or indirect beneficiaries, beneficial owners and controlling persons. Further, in case of folio(s)/account(s) with joint holder(s), the entire account value of the investment portfolio will be attributable under each such reportable person. Investor(s)/Unitholder(s) will, therefore, be required to comply with the request of the AMC/the Fund to furnish such information, in a timely manner as may be required by the AMC/the Fund to comply with the due diligence/reporting requirements stated under IGA and/or the Guidelines issued from time to time.

With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. With respect to entities, FATCA requires reporting in relation to specified US persons (Eg. US partnerships, private corporations) as well as passive Non-financial foreign entities (NFFEs) in which controlling interest is held by specified US person.

The identification of US person will be based on one or more of the following "US indicia" –

- Identification of account holder as a US citizen or resident;
- Unambiguous indication of a US place of birth;
- Current US mailing or residence address (including a US post office box)
- Current US telephone number;
- Standing instructions to transfer funds to an account maintained in USA;
- Current effective power of attorney or signing authority granted to a person with a US address; or
- An "in-care of" or "hold mail" address that is the sole address that the Indian Financial Institution has on the file for the account holder.

CRS:

On similar lines as FATCA, the Organization of Economic Development (OECD), along with the G20 countries, of which India is a member, has released a "Standard for Automatic Exchange of Financial Account Information in Tax Matters", requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a Common Reporting Standard (CRS) on Automatic Exchange of Information (AEOI).

The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November 2014. On June 3, 2015, India has joined the Multilateral Competent Authority Agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the "source" jurisdiction to collect and report information to their tax authorities about account holders "resident" in other countries, such

information having to be transmitted “automatically” annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest on the “resident” countries.

Appropriate rules have been notified to implement CRS and FATCA. In view of India’s commitment to implement the CRS on AEOI and also the IGA with USA, and with a view to provide information to other countries, necessary legislative changes have been made through Finance (No. 2) Act, 2014, by amending section 285BA of the Income Tax Act, 1961. Income tax Rules, 1962 were amended vide notification No. 62 of 2015 dated 7th August, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

FATCA/ CRS provisions are relevant not only at on-boarding stage of investor(s)/Unitholder(s) but also throughout the life cycle of investment with the AMC. In view of this, Investors should immediately intimate to the AMC, in case of any change in their status with respect to FATCA/ CRS related declaration provided by them previously.

The AMC / Trustee reserves the right to reject any application or redeem the units held directly or beneficially in case the applicant/investor(s) fails to furnish the relevant information and/or documentation in accordance with the FATCA/ CRS provisions, notified.

Investors(s)/Unitholder(s) should consult their own tax advisors to understand the implications of FATCA/ CRS provisions/requirements.

Bank Details

An investor at the time of subscribing with us must provide the details of the pay-out bank account held in India (i.e. account into which redemption / IDCW proceeds are to be paid) including the 11-digit Indian Financial System Code (IFSC) in the application form at the time of purchase of units. The same is mandated to be provided under SEBI Regulations.

In case pay-out bank account is different from pay-in bank account provided in the Application, the investor subscribing under a new folio is required to submit the documentary proof along-with the application form validating that pay-out bank account pertain to the sole / first Applicant. In case of folios held on behalf of a minor, the pay-out bank account should be held in the name of the minor or minor with parent or legal guardian in the folio. Once the bank account is registered in the folio, it can be used for both pay-out and pay-in purposes. Further, this is applicable to exceptional cases as well where Third Party Payments are accepted.

In case the bank account details are not mentioned or are found to be incomplete or invalid in a subscription application, the AMC may, at its discretion, consider the bank account details as appearing on the investment cheque as the default payout bank account for the payment of redemption/IDCW amount etc. Such updation of bank account shall be subject to compliance with the third-party investment guidelines and all applicable validations.

As per SEBI/AMFI guidelines provision pertaining to Bank Mandate are as follows:

No bank account shall be registered in the investor account as part of account opening or subsequent addition or change of bank request unless a validation is undertaken through various modes whereby the investors name, account number/ details are verified.

Redemption proceeds shall be credited only to a verified Bank Mandate.

There shall be a cooling period of 10 days for acceptance of change of bank mandate digitally post change of both email ID and mobile number in investors folio.

Multiple Bank Accounts:

The unit holder/ investor can register multiple bank account details under its existing folio by submitting separate form available on the website of the AMC at <https://www.wealthcompanyamc.in/wsif/>

Individuals/HUF can register up to 5 different bank accounts for a folio, whereas non-individuals can register up to 10 different bank accounts for a folio.

Change in Bank Mandate:

For investors holding units in demat mode, the procedure for change in bank details would be as determined by the depository participant.

For investors holding units in non-demat mode, the unit holder/ investor can change the bank account details under their existing folio by submitting separate form available on the website of the AMC at <https://www.wealthcompanyamc.in/wsif/>

Cooling Period:

If the investor submits redemption request accompanied with a standalone request for change of Bank mandate or submits a redemption request within seven days from the date submission of a request for change of Bank mandate details, the AMC will process the redemption. The entire activity of verification of cooling period cases and release of redemption payment shall be carried out within the period of 10 days from the change of bank mandate.

The AMC reserves the right to call for any additional documents as may be required, for processing of such transactions with missing/incomplete/invalid bank account details or to reject such applications. However, the valid redemption transaction will be

processed, and the payout would be released as per the specified service standards and the last registered bank account maybe used for all the purposes.

The AMC endeavours to credit investor's bank account in electronic mode for redemption proceeds or any other payouts. The AMC/ Registrar will not be responsible for wrongful credit or non-receipt of credit by the unitholders owing to incorrect bank account details provided by the unit holder. Unit holders are advised to take due care while providing the bank details in the application form. Further, the AMC reserves right to credit payout in any of the modes available in electronic domain or issue cheque/DD, which would be dispatched through courier or registered post. The investor will not hold the SIF or the AMC or the Registrar responsible for any non-receipt or delay of receipt of redemption proceeds due to any negligence or deficiency in service by the courier company, postal authorities or the bank executing direct credits, or due to incorrect bank account details provided by the investor.

Payment Details

Purchases in the Investment Strategy should meet the minimum amount requirements specified for the respective Investment Strategy (s).

An investor at the time of his/her purchase of units must provide the details of his/ her pay-in bank account (i.e. account from which a subscription payment is being made). Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.

In case of physical applications, the cheques should be drawn in favour of ' The Wealth Company SIF and crossed "A/c Payee only" and made payable at the location where the application form is submitted to the designated Investor Service Centre / Collection Centre. Non MICR/ outstation post-dated cheques/demand drafts/ money orders/ postal orders will not be accepted. Where the Investment Strategy name as written on the application form and on the payment instrument differs, the proceeds may, at the discretion of the AMC be allotted in the Investment Strategy as mentioned on the application form Returned cheque(s) are liable not to be presented again for collection, and the accompanying Application Form is liable to be rejected. In case the returned cheque(s) are presented again in exceptional scenarios, the necessary charges are liable to be claimed to the Investor.

Purchases / subscriptions can also be made through various electronic modes such as Real Time Gross Settlement (RTGS) / National Electronic Fund Transfer (NEFT) / Direct Credit (DC) / National Automated Clearing House (NACH)/ Net banking/ Unified Payment Interface (UPI)/ Immediate Payment Service (IMPS) or such other modes as may be introduced by RBI from time to time and made available by the AMC. The investor should place an RTGS / NEFT/Fund Transfer request with their bank from where the funds are to be paid and submit the bank acknowledged copy of request letter with the application form by mentioning the Unique Transaction Reference (UTR) Number / Transaction reference number which is generated for their request by the bank. RTGS/NEFT request is subject to the RBI regulations and guidelines governing the same. The AMC/SIF shall not be liable for any loss arising or resulting from delay in credit of funds in the Investment Strategy collection account.

In the case of NRIs/FPIs/PIOs/OCIs, payment may be made either by inward remittance in Indian rupees through normal banking channels and out of funds held in the NRE / FCNR in the case of Purchases on a repatriation basis or out of funds held in the NRE / FCNR / NRO account, in the case of Purchases on a non-repatriation basis.

FPIs shall pay their subscription either by inward remittance through normal banking channels or out of funds held in Foreign Currency Account or Special Non-Resident Rupee Account maintained by the FPI with a designated branch of an authorised dealer.

In case of SIP transaction where the mode of payment is through NACH or any other mode as maybe enabled by the SIF using banking channels from time to time, investors are not required to do an initial purchase transaction for the minimum amount as applicable. However, investors are required to submit SIP request along-with mandate registration request.

Mandate registration can be done by the First Unit holder, which authorizes his/her bank to debit their account up to a certain specified limit per Transaction (subject to the statutory limits as applicable from time to time), as and when they wish to transact with the SIF. This Facility currently enables Unit holder(s) of the SIF to start Systematic Investment Plan (SIP) or invest lump sum amounts in the Investment Strategy of the SIF wherever subscription is allowed. Currently, this facility is available for transactions made through physical mode and the SIF may, at its discretion, extend the same to other modes of transactions from time to time. This facility can be availed if the Investor's Bank is participating in the NACH (National Automated Clearing House) Platform or any other mode/platform as maybe enabled by banking systems and subject to investor's bank accepting ACH/OTM Registration mandate.

The investors should ensure that the amount invested in the Investment Strategy is through legitimate sources only and does not involve and is not designed for the purpose of any contravention or evasion of any act, rules, regulations, notifications or directions of the provisions of the Income Tax Act, Anti Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time.

With respect to purchase request submitted by any investor, if it is noticed that there are repeated instances of two or more cheque bounces, the AMC reserves the right not to accept/allot units for all future purchase of such investor(s).

Investment through Third party Payment(s).

Pursuant to AMFI Best Practice Guidelines Circular no. 135/BP/16/10-11 dated August 16, 2010 (the Circular), investors/unit holders of the Investment Strategy of WSIF are requested to note that investment/subscription made through third party cheque(s) will not be accepted.

In order to ensure that the folio and source bank account belong to the same person, AMC shall make sure that payment for SIF transactions are accepted through only such modes where independent traceability of end investor can be ensured and source account details are available as audit trail without relying on any other intermediary's records.

Third party cheque(s) for this purpose are defined as:

- Investment made through instruments issued from an account other than that of the beneficiary investor,
- in case the investment is made from a joint bank account, the first holder of the SIF folio is not one of the joint holders of the bank account from which payment is made.

Third party cheque(s) for investment/subscription shall be accepted, only in exceptional circumstances, as detailed below:

- Payment in respect of investments for minor investors from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian.
- Payment by Employer on behalf of employee under Systematic Investment Plans or lumpsum/ one time subscription, through Payroll deductions or deductions out of expense reimbursements.
- Custodian on behalf of a Foreign Portfolio Investors (FPIs) or a client.
- Payment by a Corporate to its Agent/ Dealer (similar arrangement with Principal agent relationship), on account of commission or incentive payable for sale of its goods/services, in the form of the SIF Units through SIP or lump sum/one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.

The above-mentioned exception cases will be processed after carrying out necessary checks and verification of documents attached along with the purchase transaction slip/application form, as stated below:

- Determining the identity of the Investor and the person making payment i.e. mandatory Know Your Client (KYC) for Investor and the person making the payment.
- Obtaining necessary declaration from the Investor/unit holder and the person making the payment. Declaration by the person making the payment should give details of the bank account from which the payment is made and the relationship with the beneficiary.
- Verifying the source of funds to ensure that funds have come from the drawer's account only.

The "Third Party Payment Declaration Form" shall be available on <https://www.wealthcompanyamc.in/wsif/> and at Investor Service Centers (ISCs).

The AMC/SIF reserves the right to accept applications, over and above the circumstances listed above, subject to completion of requisite documentation and additional checks and verification as stipulated by the AMC/SIF.

The AMC may seek a copy of the instruction to the bank stating the account number debited with the purchase application or seek proof of source of funds.

Investors are requested to note that AMC reserves the right to have additional checks of verification for any mode of payment received. The AMC reserves the right to reject the transaction in case the payment is received from an account not belonging to the first unit holder of the mutual fund. In such rejections, the AMC will refund the subscription amount to the source account.

Cash Investments:

Currently, the AMC is not accepting cash investments. However, the said option may be introduced at a later date and a notice in this regard shall be published as and when the facility is made available.

Joint Applicants:

If an application is made by:-

one investor, the mode of holding will be "Single"; or

more than one investor (maximum three permitted), the mode of holding should be specified as "Joint" or "Anyone or Survivor".

If the mode of holding is not specified or is ambiguous, it will be treated as "Anyone or Survivor", where there is more than one holder.

In the event an Account has more than one registered owner, the first-named holder (as determined by reference to the original Application) shall receive the Account Statement, all notices and correspondence with respect to the Account, as well as the proceeds of any redemption requests or other distributions and have the voting rights, as permitted, associated with such units.

Applicants can specify the 'mode of holding' in the Application Form as 'Jointly' or 'Anyone or Survivor'. In the case of holding specified as 'Jointly', redemptions and all other requests relating to all transactions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unitholders will have the power to make redemption requests, without it being necessary for all the Unitholders to sign. However, in all cases, the proceeds of the redemption will be paid to the Registered bank account.

With respect to Units held in demat mode, the rules of Depository for operation of such DP account shall be applicable.

Tax Status:

Investors should mention the correct Tax Status which should correspond to the 4th Character convention of the PAN issued by the Income Tax Department. In case the Tax Status provided by the investor does not correspond to the 4th character convention of PAN, then the status as per the PAN 4th character maybe updated in the investor folio.

Investors are requested to note that there can be only one tax status which can be tagged against a single PAN i.e. either Resident (RI) or Non Resident (NRI). There cannot be different tax status for different folios for the same investor, same PAN. Accordingly, in case the existing tax status in a folio is NRI and the investor makes a new investment with tax status as RI, the new investment will be processed with tax status as NRI. Similarly, if the existing status in a folio is RI and the investor makes a new purchase with tax status as NRI, the tax status of the existing RI folio will be changed to NRI. In case of any change in tax status, Investors should submit a request for change of tax status request before submitting the new investment to avoid any inconvenience. The AMC reserves the right to reject or reverse & reprocess the transactions later in case of any error.

Investments on Behalf of Minor:

- The minor shall only be the sole Unit holder in a folio. Joint holding is not allowed.
- Details of the parent viz., father or mother or legal Guardian must be mentioned for investments made on behalf of a minor.
- A valid birth certificate or passport or School Leaving Certificate or any other valid document issued by a Government authority evidencing the date of birth of the minor must be submitted.
- In the case of a court-appointed legal guardian, a notarized or attested copy of the court order must also be submitted.
- If the submitted date of birth proof contains details establishing a relationship between the guardian and the minor, the same shall be accepted. In the absence of such details, appropriate documents evidencing the relationship must be provided. In addition to the existing procedures, for systematic transactions in a minor's folio, the AMC/ SIF will register standing instructions only till the date when the minor Unitholder attains the age of majority, even though the instructions may be for a period beyond that date. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account.

Change of Status from Minor to Major:

Prior to the minor Unitholder attaining the age of majority, the AMC/ SIF will send a notice to the minor Unitholder at the registered correspondence address /email id advising such minor Unitholder to submit, on attaining the age of majority, an application form along with prescribed documents to change the status of the folio/s from 'minor' to 'major'. The AMC may specify such procedures for regularisation of the Folio/s, as it may deem appropriate from time to time. Till the receipt of such intimation /information from the minor turned major Unitholder, existing contract as signed by the parent/legal guardian of the minor Unitholder will continue. However, from the date of attainment of majority, Folio/s of the minor Unitholder will be frozen for operation by the representing guardian and all transactions will be suspended. No transactions will be permitted in the Folio(s) till the regularization of the Folio/s in a manner prescribed by the AMC / SIF.

The AMC/ SIF will register standing instructions like SIP/ STP etc. for a folio held by a minor Unitholder from the parent/ legal guardian only till the date when the minor Unitholder attains the age of majority, even though the instructions may be for a period beyond that date.

Change of Guardian:

In case of change of natural parent/legal guardian of a minor Unitholder, the new parent/legal guardian must submit the documents prescribed by the AMC/ SIF, including the following:

- No Objection Certificate (NoC) or Consent Letter from existing parent or Court Order appointing new legal guardian for the benefit of the minor Unitholders.
- KYC Acknowledgment Letter of new parent/legal guardian.

Application under Power of Attorney/ Body Corporate/ Registered Society/ Partnership/ Sole Proprietorship Account

Every investor, depending on the category under which he/she/ it falls, is required to provide the relevant documents along with the application form as may be prescribed by AMC.

In case of an application under the Power of Attorney or by a limited company, body corporate, registered society or partnership etc., the relevant Power of Attorney or the relevant resolution or authority to make the application as the case may be, or duly certified copy thereof, along with the memorandum and articles of association/bye-laws must be lodged at the Registrar's Office at the time of submission of application.

In case an investor has issued Power of Attorney (POA) for making investments, switches, redemptions etc. under his folio, both the signature of the investor and the POA holder have to be clearly captured in the POA document to be accepted as a valid document. At the time of redemption / switches the SIF would not be able to process the transaction unless POA holder's signature is available in the POA.

Original or certified true copies of the following documents should be submitted by Companies/Bodies Corporate/PSUs/Banks and Financial Institutions along-with the application form:

Board resolution authorizing the investment

List of authorized officials to make such investment along with the specimen signature of such authorized officials

Know Your Client (KYC), FATCA, CRS & Ultimate Beneficial Ownership (UBO) Self Certification

- "Non-profit organization" (NPO) means an organization which has been constituted for religious or charitable purposes referred to in clause (15) of section 2 of the Income-tax Act, 1961 (43 of 1961), that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered under the section 8 of the Companies Act, 2013 (18 of 2013);
- All NPOs are mandated to register themselves in DARPAN portal of NITI Aayog- <https://ngodarpan.gov.in/>. All applicable Trusts/Societies/Section 8 companies should register themselves suitably and submit the declaration along with NPO registration number allotted by DARPAN portal to MF/RTA, else it might result in transaction rejection. Trusts/Societies/Section 8 companies who do not fall under the new NPO definition should confirm that they are not falling under the referred NPO definition.
- The onus of authentication of the documents shall be on the Investors and the AMC/SIF will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents by such investors shall be full and final proof of the investors' authority to invest and the AMC/SIF shall not be liable under any circumstances for any defects in the documents so submitted.
- Applications for new purchases from sole proprietorship accounts shall be processed after matching the details of the name on the documentary proof with the KYC/PAN and signature of the applicant on the application form and the payment instrument/cheque in case of physical applications.
- In case the name of an applicant mentioned in the application form/ transaction slip differs from the name on payment instrument/cheque, then the AMC may process the application and allot units at the applicable Net Asset Value, after obtaining self-declaration certificate from the applicant along-with documentary evidence, as prescribed by the AMC from time to time. In case the self-declaration is not furnished by the applicant, the
- AMC reserves the right to process/reject the application form without any reference to the applicant after carrying out necessary diligence, as deemed appropriate by the AMC.

Facilities for transacting in WSIF: Digital properties of the AMC

Facility of online transactions is available on the on the digital properties of the AMC (website - <https://www.wealthcompanyamc.in/wsif/>) or any other digital platforms /modes offered from time to time). However, investors should note that transactions through such digital properties shall be subject to the eligibility of the investors, any terms & conditions stipulated by the AMC/SIF from time to time and any law for the time being in force.

The Unitholder shall be solely responsible for confidentiality of his/her login credentials and shall not disclose his/her login credentials to any third party and shall take all possible care to prevent discovery of the login credentials by any person.

The AMC/SIF shall not be liable for any misuse of data placed on the internet by third parties "hacking" or having unauthorized access to the server. The AMC/Mutual Fund/SIF will not be liable for any failure to act upon electronic instructions or to provide any facility for any cause that is beyond its control. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point in time.

B: Digital properties of KFIN Technologies Limited (KFINTECH/Registrar)

Facility of online transactions is available on the digital properties of KFINTECH (Website- www.kfintech.com/ portal, mobile app servers). However, investors should note that transactions through such digital properties shall be subject to the eligibility of the investors, any terms & conditions as stipulated by KFINTECH from time to time and any law for the time being in force.

C: Transactions through Stock Exchange

- Pursuant to clause 16.2 of the SEBI Master Circular dated June 27, 2024, units of Investment Strategies have been permitted for transactions through registered stockbrokers of the recognised stock exchanges. Accordingly, these stock exchanges shall be considered as Official Points of Acceptance of transactions of the AMC.
- Investors transacting through such NSE MFSS/ BSE STAR platform and Investment Strategy(s) which are listed on the recognised stock exchanges will have to additionally comply with norms/rules as prescribed by the stock exchange(s).
- Participants (clearing members and depository participants) intending to extend the transactions in the eligible Investment Strategies of WSIF through stock exchange mechanism shall be required to comply with the requirements specified in paragraph 16.2 of the SEBI Master Circular dated June 27, 2024 for stockbrokers, to the extent applicable. All such participants will be eligible to be considered as Official Points of Acceptance of transactions of the AMC.
- The transactions carried out on the above platform shall be subject to SEBI (Mutual Fund) Regulations and circulars /

guidelines issued thereunder from time to time.

D: MF Utilities India Private Limited (MFUI)

Wealth Company AMC has entered into an Agreement with MF Utilities India Private Limited (“MFUI”), a “Category II – Registrar to an Issue” under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage

of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Investment Strategy of various SIF with a single form and a single payment instrument.

Accordingly, all financial and non-financial transactions pertaining to Investment Strategy of the SIF can be done through MFU at the authorized Points of Service (“POS”) of MFUI. The list of POS of MFUI published on the website of MFUI at www.mfuindia.com as may be updated from time to time will be considered as Official Points of Acceptance of transactions (OPA) for transactions in the Investment Strategy of the SIF. The uniform cut-off time as prescribed by SEBI and as mentioned in the ISID / KIM of respective Investment Strategy shall be applicable for applications received through MFUI. However, investors should note that transactions through MFUI shall be subject to the eligibility of the investors, any terms & conditions stipulated by MFUI / the SIF / the AMC from time to time and any law for the time being in force.

Investors are requested to note that, MFUI will allot a Common Account Number (“CAN”), a single reference number for all investments in the SIF industry, for transacting in multiple Investment Strategy of the SIF of various SIF through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent shall provide necessary details to MFUI as may be needed for providing the required services to investors through MFU. Investors are requested to visit the website of MFUI i.e. www.mfuindia.com to download the relevant forms. Investors transacting through MFU shall be deemed to have consented to exchange information viz. personal and/or financial (including changes, if any) between the SIF/the AMC and MFUI and/or its authorized service providers for validation and processing of transactions carried out through MFU.

For any queries or clarifications related to MFU, investors are requested to contact the Customer Care of MFUI on 1800-266-1415 (during business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com.

E: MF Central

- As per the SEBI Master Circular for Mutual Funds dated June 27, 2024, to comply with the requirements of RTA interoperable Platform for enhancing investors’ experience in Mutual Fund transactions / service requests, the QRTA’s, Kfin Technologies Limited (Kfintech) and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral - A digital platform for SIF investors. MFCentral is created with an intent to be a one stop portal / mobile app for all SIF investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to SIF investors across fund houses subject to applicable Terms and Conditions of the Platform. MFCentral may be accessed using <https://www.mfcentral.com> and it’s Mobile App.

Applicable for all the modes detailed above:

- The servers including email servers (maintained at various locations) of AMC, KFINTECH, and the servers of any other service provider/transaction platform with whom the AMC has tied up for this purpose will be the official point of acceptance for all online / electronic transactions mentioned above. For the purpose of determining the applicability of NAV, the time when the request for purchase / sale / switch of units is received in the servers of AMC/ RTA or such other service provider/ transaction platform, shall be considered.

F: Channel Partners / Execution Only Platforms (EOP):

The server(s) of KFINTECH shall be an OPA for electronic transactions received from the Channel Partners / EOP with whom the AMC has entered or may enter specific arrangements for all financial transactions relating to the units of SIF investment strategies.

G: Email-based Transaction Facility:

- The AMC may at its discretion and subject to internal policies, process financial transactions received via email from eligible investors in line with AMFI guidelines dated January 31, 2025, as amended from time to time. The AMC may seek additional documentation including but not limited to authorization by the eligible investors to accept transactions through this mode. Requests for changes in bank details shall not be accepted through this mode. Investors availing this facility acknowledge the associated risks, including delivery failures, delays, or unauthorized access, and agree to bear any resulting consequences. The AMC/RTA shall not be liable for non-receipt or failure to process such instructions due to factors beyond their control. Reasonable safeguards such as time-stamping, domain verification, email receipt confirmation and audit trails shall be adopted to confirm authenticity. The AMC reserves the right to modify or withdraw this facility, in whole or in part, at its discretion and without prior notice.

H: Facility of Applications Supported by Blocked Amount (“ASBA”) as an additional mode of payment – Demat details are mandatory

- As per the SEBI guidelines, in respect of New Fund offers (NFO), investors will have an option to make an application / payment under the Applications Supported by Blocked Amount (ASBA) facility. This facility is available to all investors eligible to invest in the Investment Strategy of the SIF. The applications under ASBA facility will be subject to the directives issued by SEBI from time to time.
- ASBA is an application containing an authorization given by the investor to block the application money in his/her specified bank account towards the subscription of units offered during the NFO of the Investment Strategy. Thus, for an investor who applies through ASBA facility, the application money blocked towards the subscription of Units shall be debited to the extent of subscribed amount from the bank account on or before the allotment date. On allotment of NFO, units will be credited to the investor's demat account as specified in the ASBA application form. For availing this facility, investors are requested to check with the Designated Branches ("DBs") of the Self Certified Syndicate Banks ("SCSBs"). The application forms for applications under the ASBA facility will be available at the designated branches of Self Certified Syndicate Banks (SCSB/ASBA Banks). A list of these banks is available on the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or NSE website (www.nseindia.com). The application forms for applications under the ASBA facility should be submitted at the designated branches of the ASBA Banks. SCSBs"). The application forms for applications under the ASBA facility will be available at the designated branches of Self Certified Syndicate Banks (SCSB/ASBA Banks). A list of these banks is available on the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or NSE website (www.nseindia.com). The application forms for applications under the ASBA facility should be submitted at the designated branches of the ASBA Banks.
- The Mutual Fund, AMC and Trustee shall not be responsible for any acts, mistakes, errors, omissions and commissions etc. in relation to the application forms under the ASBA facility accepted by SCSBs. On receipt of applications through SCSBs, the allotment will be carried out with the presumption that the application amount has been blocked in the relevant ASBA account.
- SIF/ AMC does not intend to seek any investment or offer any goods or services to Citizen(s)/Resident(s) from FATF designated High-Risk Jurisdictions ("blacklist"), SIF/ AMC / its Registrar, who shall be collecting, using and sharing as indicated above, shall comply with local laws of India, which may or may not be in line with the requirements of other territorial laws. If you have any concern / query, you can write to Investor Relations Officer of the SIF/ AMC.

I. Redemption and Switches

- Units will be redeemed/switched out on First In First Out (FIFO) basis at a folio level.
- Redemption/Switches will not be processed if the investor (applicable to all unitholders) are not KYC compliant in line with the regulations issued by SEBI from time to time.
- For Units Held in Demat (electronic) form: Unitholders should submit their valid redemption request to their Depository Participant (DP). The redemption proceeds will be credited to the bank account of the Unitholder, as per the bank account details provided by the Depositories.
- For Units Held in Account Statement (non-demat) form: The Redemption/Switch-out request can be made by way of a written request on a pre-printed form or Transaction Slip, which should be submitted at any of the Official Points of Acceptance. Alternatively, investor(s) can submit these requests through any other permissible electronic modes including digital properties of the AMC, as may be enabled from time to time.
- All Redemption/Switch-out would be permitted to the extent of credit balance in the Unit holder's account of the Plan(s)/ Option(s) of the Investment Strategy (subject to completion of Lock-in period or release of pledge/lien or other encumbrances).
- The Redemption/Switch-out request can be made by specifying the rupee amount or by specifying the number of Units of the respective Plan(s)/Option(s) to be redeemed.
- In case a Redemption/Switch-out request received is for both, a specified rupee amount and a specified number of Units of the respective Plan(s)/Option(s), the specified number of Units will be considered the definitive request.
- In case the value/number of available units held in the Unit holder's folio/account under the Plan/Option of the Investment Strategy is less than the amount/number of units specified in the redemption/switch-out request, then the transaction shall be treated as an 'all units' redemption and the entire balance of available Units in the folio/account of the Unit holder under the stated Plan/Option of the Investment Strategy shall be redeemed.
- Redemption by NRIs/PIOs/OCIs/FPIs will be subject to the regulations and guidelines of the RBI and any other relevant laws as are applicable from time to time (also subject to deduction of tax at source as applicable).
- As per SEBI (Mutual Fund) Regulations, the Mutual Fund shall transfer Redemption proceeds within 3 business days or such other timeline as may be specified in the respective Investment Strategy's ISID and as per SEBI/ AMFI guidelines.
- Redemption proceeds will be paid in favour of the Unit holder (registered holder of the Units or, if there is more than one registered holder, only to the first registered holder) and in the bank account number registered under the folio.
- A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid by the AMC for the period of delay in case the Redemption proceeds are not transferred within the specified timeline. Investors may note that in case of exceptional scenarios as prescribed by SEBI/ AMFI, the AMC may not be liable to adhere with the timelines prescribed above.

The AMC also has the right, at its sole discretion, to close a Unitholder's account by redemption of units in the account of unitholder, if the unitholder does not submit the requisite proof/documents/information required by the AMC or where the units are held by a unitholder in breach of any Regulation.

A. Special products/ Facilities offered by the Investment Strategies

The SIF offers certain special products / facilities as per details mentioned below; however, these products and facilities may not be available under all the Investment Strategy of the SIF. Investors are advised to refer to the ISID of the respective Investment Strategy of the SIF to check whether any of these facilities are available or not.

I) Systematic Investment Plan (SIP)

Investors can benefit by investing specific Rupee amounts periodically, for a continuous period through SIP. SIP allows investors to invest a fixed amount of Rupees on daily, weekly, fortnightly, monthly or quarterly by purchasing Units of an Investment Strategy at the Purchase Price prevailing at such time. The minimum installment shall be 6 instalments. Investors can enroll themselves for SIP in the Investment Strategy by ticking the appropriate box in the application form and filling up the relevant SIP form. If start date for SIP period is not specified, SIP will be registered to start anytime from a period after five business days from the date of receipt of application based on the SIP date available / mentioned, subject to mandate being registered. If end date is not specified the SIP will be registered for 40 years from the start date or end date of mandate/tenure of the Investment Strategy, whichever is earlier.

Units will be allotted at the applicable NAV as on the SIP Date opted for by the investor. Where such SIP Date is not a Business Day, Units will be allotted at the applicable NAV of the immediately succeeding Business Day.

SIP registration

- SIP registration can be done through physical or digital mode. The mandate for SIP installment payments can be done by registering a One Time Mandate (OTM) application or any other mandate registrations methodology in line with the arrangements with the banks or payment aggregators as may be enabled from time to time.
- For registration of a Systematic Investment Plan (SIP) in physical mode, the duly completed SIP form must be submitted at least 21 calendar days prior to the desired first debit date if a One Time Mandate (OTM) is not registered, and at least 10 calendar days prior in case an OTM is already registered. The provided timelines are excluding the application date and the SIP start date. In case the start date does not meet the mentioned timelines, the AMC will make reasonable efforts to process the SIP as per the investor's request. However, if that is not possible, the SIP will begin from the subsequent instalment date as per the selected frequency.
- For SIP applications through online mode, should be submitted 5 calendar days before the first debit date (excluding the application date and the SIP start date). The same shall be applicable for SIP being registered in the folio through OTM where the mandate status is 'Registered'.

Default SIP options:

In case an investor fails to mention the valid SIP details (or the details are not clear) at the time of registering SIP, the following shall be considered as default selection:

SIP details	Default option
Frequency	Monthly
SIP Date (Monthly, Quarterly)	10th of the month
SIP Day (Weekly)	Monday
SIP Tenor	As per end period of OTM

Points to note:

- In case the SIP date falls on a non-business day then the transaction will be processed on the next business day.
- In case the SIP date falls on a date which is not available in a particular month then SIP will be processed on the first business day of subsequent month. For example, if an investor selects SIP date as 31st, the instalment for the month of November will be processed on 1st December.
- For SIP applications received during NFO Period, the SIP start date shall be at least 21 calendar days after the NFO allotment date.
- If multiple SIP dates are opted SIP will be registered for all opted dates.
- SIP start date shall not be beyond 100 days from the date of submission of request for SIP, under all frequencies.
- New Investor - If the investor fails to mention the Investment Strategy name in the SIP Mandate Form, then the Fund reserves the right to register the SIP as per the Investment Strategy name available in the main application.
- Existing Investor - If the investor fails to mention the Investment Strategy name in the SIP Mandate Form, then the Fund reserves the right to register the SIP in the existing Investment Strategy (Eligible for SIP) available in the investor's Folio. In case Multiple investment strategy are available in the folio then the Fund reserves the right to reject the SIP request.
- Investors who wish to change any aspect of existing SIP such as Investment Strategy / amount etc, may use the SIP Modification form for this purpose.
- The investor is requested to note that the load structure shall be applicable as on the date of installment and
- the AMC reserves the right to change the load structure which shall be applicable on a prospective basis.

The AMC reserves the right to withdraw this facility, modify the procedure, frequency, dates in accordance with the SEBI (Mutual Fund) Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

Please refer to the SIP Enrolment Form for terms & conditions before enrolment

SIP Top-Up Facility: –

- Under this facility, the investor can increase the SIP instalment at pre-defined intervals. This aims to provide the investor with a simplified method of aligning SIP instalment amounts with an increase in the investor's earnings over the tenure of SIP. This facility is available for all investors.
- Investors can opt for SIP Top-up facility by specifying an amount or percentage along with the frequency of top-up.

Frequency and Mode of SIP Top-Up:

Investors can choose to increase their SIP instalments either by a fixed amount, to be applied after a set frequency:

Half-Yearly Top-Up: Applicable after every 6 SIP instalments.

Yearly Top-Up: Applicable after every 12 SIP instalments. (Only Yearly frequency is allowed for Quarterly SIP)

- Minimum Top-Up Amount: Rs.1000 and in multiples of Rs.100/-
- If the investor fails to specify either the frequency or amount, it shall be deemed as Yearly Top-Up of Rs. 1000.
- If both are not specified, the application may be processed as a normal SIP, subject to all other details being complete.

Top-Up Cap amount: Investor has an option to freeze the SIP Top-Up amount once it reaches a fixed predefined amount. The fixed pre-defined amount should be lower than or equal to the maximum amount mentioned by the investor in the OTM / bank mandate. In case of difference between the Cap amount and the maximum amount mentioned in the mandate, then the amount which is lower of the two amounts shall be considered as the default amount of SIP Cap amount. Where Top-Up Cap amount is not provided, the Top-Up would be capped at the maximum amount mentioned in the OTM / bank mandate.

SIP Top-Up facility shall not be available in case of Micro-SIP.

SIP Modification

An investor investing through SIP shall have an option to modify the selected Investment Strategy and / or SIP installment amount and / or SIP end date, in the Investment Strategy wherein the SIP investments are currently being made.

SIP Pause facility:

- SIP Pause facility allows investors to pause their existing SIP for a temporary period, without discontinuing the existing SIP and SIP would restart from the immediate next installment after completion of the pause period specified by the investor. SIP Pause can be for a minimum period of 1 month to a maximum period of 6 months.
- The minimum gap between the pause request and next SIP instalment date should be at least 10 calendar days (excluding the request date and the next SIP instalment date).
- Pause facility shall get activated from immediate next eligible instalment from the date of receipt of SIP Pause request.
- If the pause period is coinciding with the SIP Top Up facility, the SIP instalment amount post completion of pause period would be inclusive of Top Up amount. For e.g. SIP instalment amount prior to pause period is Rs.5,000/- and Top Up amount is Rs.1,000/-. If the pause period is completed after date of Top Up, then the SIP instalment amount post completion of pause period shall be Rs.6,000/-.

Termination/Cancellation of SIP:

- In case of weekly / monthly SIPs, if there are three consecutive failures of SIP instalments and in case of quarterly SIPs, if there are two consecutive failures of SIP instalments, the AMC shall terminate the SIP without any written request from the investor.
- The unitholders are, however, free to terminate the SIP registration at any point of time by way of a written communication. The SIP cancellation request submitted by an investor, will be effective within 2 working days from the date of such request. However, it may be noted that any instalments for which debit instructions have
- already been sent to the investor's bank (for eg. 7 to 10 days in advance depending upon the mode of registration of the mandate) may continue to be processed. Investors should accordingly maintain sufficient balance in their bank account. Any debits triggered in the investor(s) accounts towards instructions sent to the bank in the interim will be refunded.

II) Systematic Withdrawal plan (SWP)

A Unit Holder may, through SWP, receive regular payments by way of withdrawals from an Investment Strategy (in the said folio) on a monthly, quarterly basis with specific SWP dates and the request should be for at least 6 such withdrawals. A Unit holder may avail of SWP by ticking the appropriate box in the application form and filling up the SWP form, specifying therein the 'SWP Date' and period. To start an SWP, the unit holder should submit the SWP form at least seven days prior to the first desired SWP date. To discontinue the SWP, the unit holder should provide at least 30 days written notice to the Registrar/AMCs offices. A Unit Holder who opts for an SWP has the choice of withdrawing (i) a fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Investment Strategy from which the withdrawal is sought.

The clauses on SWP and STP will be subject to compliance with provisions mentioned under "Minimum investment threshold" as stated under Clause "Minimum threshold requirement and consequences of non- maintenance" of this SAI.

In case the SWP Date happens to be a Non-Business Day, the transaction will be processed on the immediately succeeding Business Day. On the other hand, the Specialized Investment Fund may terminate the SWP, if all the Units concerned are liquidated or withdrawn from the account or pledged or upon the Specialized Investment Fund's receipt of notification of death or incapacity of the Unit Holder. All terms and conditions for SWP, including Exit Load, if any, prevailing in the date of SWP enrolment/registration by the fund shall be levied in the Investment Strategy.

Default SWP options:

In case an investor fails to mention the valid SWP details (or the details are not clear) at the time of registering the SWP, the following shall be considered as default selection:

SWP details	Default option
Frequency	Monthly
SWP Date	10th of the month
SWP Tenor	Perpetual

Points to note:

- The SWP proceeds to the investor's bank account will be credited as per normal service standards.
- In case the SWP date falls on a non-business day or on a day which is not available in a particular month, the SWP will be processed on the next business day.
- This facility is not available for units which are under any lien/pledged or any lock-in period.
- The unitholders may approach/consult their tax consultants in regard to the treatment of the transfer of units from the tax point of view.
- If there is inadequate balance / unclear units on the SWP date, the SWP will be processed for the balance units and SWP will continue.
- The registered SWP will be automatically terminated upon receipt of intimation of death of the unit holder.
- The enrolment form completed in all respects can be submitted at any of the designated Investor Service Centre (ISC) of the AMC at least 7 calendar days before the commencement of first execution date of SWP. In case the required time of 7 calendar days is not met then the SWP will be processed from the next SWP cycle.

The AMC reserves the right to withdraw this facility, modify the procedure, frequency, dates in accordance with the SEBI MF Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

Termination/Cancellation of SWP

In case of failure to process the SWP on account of NIL balance in the Investment Strategy, the AMC shall terminate the SWP without any written request from the investor.

The unitholders can, however, terminate the SWP registration at any point of time by way of a written communication at least 5 calendar days prior to the next due date of SWP.

Forms for all facilities are available on our website <https://www.wealthcompanyamc.in/wsif/>

III) Systematic Transfer Plan (STP)

A Unit Holder may transfer, through STP, part of his/her/its investment in the Investment Strategy (in the said folio) to another Investment Strategy on a daily, weekly, fortnightly, monthly, quarterly basis with specific STP dates and the request should be for at least 6 such transfers. The transfer will be effected by way of a switch, i.e. redemption of Units from one Investment Strategy and investment of the proceeds thereof, in the other Investment Strategy, at the then prevailing terms of both Investment Strategies. Therefore, all provisions pertaining to Inter-Investment Strategy Switching will apply to an STP (Please refer to "Switching" for provisions on switching). Also, all provisions pertaining to Entry and Exit Load in an STP transaction will be same as applicable for purchase or redemption of investment made through SIP. All transactions by way of STP shall, however, be subject to the terms (other than minimum application amount) of the target Investment Strategy.

All terms and conditions for STP, including Exit Load, if any, prevailing in the date of STP enrolment/registration by the fund shall be levied in the Investment Strategy. A Unit Holder who opts for an STP has the choice of switching (i) A fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Investment Strategy from which the transfer is sought. The AMC may change the terms and conditions for STP facility from time to time, due to changing market and operational conditions.

Default STP options:

In case an investor, fails to mention the valid STP details (or the details are not clear) at the time of registering STP, the following shall be considered as default selection:

STP details	Default option
Frequency	Monthly
STP Date (Monthly, Quarterly)	10th of the month
STP Day (Weekly)	Monday
STP Tenor	Perpetual

In case the Start Date is mentioned but End Date is not mentioned, the application will be registered for “Perpetual” period.

In case the End Date is mentioned but Start Date is not mentioned, the application will be registered after expiry of 7 calendar days from submission of the application from the default date i.e. 10th of each month / quarter (or the immediately succeeding working Day), provided the minimum number of instalments are met.

Points to note:

- This facility is not available for units which are under any lien /pledged or any lock-in period.
- The unitholders may approach/consult their tax consultants regarding the treatment of the transfer of units from the tax point of view.
- In case the STP date falls on a non-business day or on a day which is not available in a particular month, the STP will be processed on the next business day.
- If there is an inadequate balance / unclear units on the STP date, the STP will be processed for the balance units, subject to minimum amount requirement of the target Investment Strategy and the STP will continue.
- The registered STP will be automatically terminated upon receipt of intimation of death of the unit holder.
- The enrolment form completed in all respects should be submitted at any of the designated Investor Service Centre (ISC) of the AMC at least 7 calendar days before the commencement of first execution date of STP. In case the required time of 7 calendar days is not met then the STP will be processed from the next STP cycle.
- The load structure for the target Investment Strategy shall be applicable as on the date of installment and the AMC reserves the right to change the load structure which shall be applicable on a prospective basis.

The AMC reserves the right to withdraw this facility, modify the procedure, frequency, dates in accordance with the SEBI (Mutual Fund) Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

Termination/Cancellation of STP

In case of failure to process the STP on account of NIL balance in the out Investment Strategy, the AMC shall terminate the STP without any written request from the investor.

The unitholders can, however, terminate the STP registration at any point of time by submitting a request at least 5 calendar days prior to the next due date of STP.

IV) Switching

A switch has the effect of redemption from one investment strategy/ plan/option and a purchase in the other investment strategy/plan/ option to which the switching has been done. To effect a switch, a Unit Holder must provide clear instructions. Such instructions may be provided in writing or by completing the transaction slip/form attached to the account statement. The switch request can be made for an amount as stated in the respective ISID. A Unit Holder may request switch of a specified amount or a specified number of Units only. If the Unit Holder has specified both the amount (in Rs.) and the number of Units, switch-out of units will be carried out based on the number of units specified by the Unit Holder.

All allotments will be provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied that the Specialized Investment Fund has received clear funds. Any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. Investors may note that switch facility is currently not available for units held in demat mode and will be provided as and when enabled by stock exchange platforms and depositories as the units are held in demat account. Unit holders are requested to note that application for switch-out for units for which funds are not realized via purchase or switch-in in the Investment Strategy of the Fund shall be liable to be rejected. In other words, switch out of units will be processed only if the funds for such units are realized in the Investment Strategy by a way of payment instructions/transfer or switch-in funding process.

a. Inter-Investment Strategy Switching

Unit Holders will have the option to switch all or part of their investment in the Investment Strategy, to any other Investment Strategy established by the Specialized Investment Fund, which is are available for investment at that time. The switch will be affected by way of redemption of Units from an Investment Strategy and re-investment of the redemption proceeds in the other Investment Strategy selected by the Unit Holder at the prevailing terms of the Investment Strategy to which the switch is taking place. The price at which the Units will be switched out of the Investment Strategy will be based on the Redemption Price on the Business Day of acceptance of switching request and the net proceeds will be invested in the other Investment Strategy at the prevailing Purchase Price for Units in that/those Investment Strategy.

b. Inter-Plan Switching

Unit Holders will have the option to switch all or part of their investment(s) from one plan of an Investment Strategy to the other plan of that Investment Strategy. The switch will be effected by way of a redemption of Units of the relevant plan of an Investment Strategy as per terms and conditions of redemption and re-investment of the redemption proceeds in the other plan of the Investment Strategy selected by the Unit Holder on the prevailing terms of that Plan as a purchase as per purchase terms and conditions of purchase.

c. Inter-Option Switching

Unit Holders have the option to switch all or part of their investments from one Option of an Investment Strategy /Plan to the other Option of the same Strategy/Plan.

The switch will be affected by way of redemption of Units of the relevant Option and reinvestment of the redemption proceeds in the other Option selected by the Unit Holder on the prevailing terms of that Investment strategy/Plan. The price at which the Units will be switched out will be at the Applicable NAV on the Business Day of acceptance of switching request and the net proceeds will be invested in the other Option at the Applicable NAV of that Option.

The AMC may change the terms and conditions for switching facility from time to time, due to changing market and operational conditions.

V) Pledge of Units for Loans

Units can be pledged by the Unit Holders as security for raising loans, subject to any rules/restrictions that the Trustee may prescribe from time to time.

For Units held in demat form, the rules of the respective DP will be applicable for pledge of the Units. Units held in demat form can be pledged by completing the requisite forms/formalities as may be required by the Depository. The pledge gets created in favour of the pledgee only when the pledgee's DP confirms the creation of pledge in the system.

In case of Units held in physical form, the Registrar will note and record such pledge. A standard form for this purpose is available at any of the official points of acceptance of transactions

VI) OTM – One Time Mandate ('Facility')

This Facility enables the Unit Holder/s of Specialized Investment Fund ('Fund') to transact with in a simple, convenient and paperless manner by submitting OTM - One Time Mandate registration form to the Fund which authorizes his/her bank to debit their account up to a certain specified limit per day, as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter.

This Facility enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in any Investment Strategy of the Fund by sending instructions through Transaction forms, and online facility specified by the AMC. This Facility is only available to Unit holder(s) of the Fund who have been assigned a folio number by the AMC.

Unit Holder/s are requested to note that in line with the requirement of SEBI and AMFI Circulars on Two Factor Authentication[2FA], SMS based transaction facility and transaction through Call Centre for all forms of transaction, including but not limited to purchase, redemptions, switches, systematic registrations.

Unit Holder(s) are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for existing as well as prospective investors at anytime in future.

For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions, OTM - One Time Mandate registration form available at the Official Point of Acceptance of Transactions of AMC/RTA and also available on <https://www.wealthcompanyamc.in/wsif/>

B. Default scenarios available to the investors under plans/options of the Investment Strategy(s)

Default plan would be as mentioned below:

Scenario	Broker (ARN) Code mentioned by the investor	Plan mentioned by the investor	Default plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not mentioned	Regular Plan

In case of Investment Strategy's plan option not specified, "Growth" will be the default option for processing of transaction.

In case of IDCW sub-option not specified, "Payout" will be default option for processing of transaction.

VII. RIGHTS OF UNITHOLDERS OF THE INVESTMENT STRATEGY

The following are the rights of the unitholders:

- a. Unit holders have a proportionate right in the beneficial ownership of the assets of the Investment Strategy.
- b. When the SIF declares an Income Distribution cum Capital Withdrawal (IDCW)/ dividend under an Investment Strategy, IDCW/ dividend warrants shall be dispatched to the Unit Holders Within 7 Working days from the record date of IDCW/dividend. Consolidated Account Statement ('CAS') at SIF level for each calendar month will be issued on or before 15th day of succeeding month to all unit holders having financial transactions and who have provided valid Permanent Account Number (PAN). For folios not included in the CAS, the AMC shall issue a monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be send on or before 15th day of succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 Business days from the receipt of such request. If a Unit holder so desires the SIF shall issue a unit certificate (non - transferable) within 5 Business Days of the receipt of request for the certificate.
- c. The SIF shall dispatch redemption or repurchase proceeds within 3 working days of accepting the valid redemption or repurchase request. Provided that, processing of redemption(s) in the SIF Investment Strategies shall be subject to appropriate notice period(s), if any, as may be implemented by the AMC, based on structure of the Investment Strategy and the liquidity risk associated with it.
- d. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
- e. The appointment of the AMC for the SIF can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Investment Strategy
- f. 75% of the Unit holders can pass a resolution to wind- up an Investment Strategy.
- g. The Trustee shall obtain the consent of the Unit holders:
 - whenever required to do so by SEBI, in the interest of the Unit holders.
 - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Investment Strategy.
 - when the majority of the trustees decide to wind up a Investment Strategy in terms of clause (a) of sub regulation (2) of regulation 39 of SEBI (Mutual Funds) Regulations, 1996 or prematurely redeem the units of a close ended Investment Strategy
 - when the majority of the trustees decide to wind up the Investment Strategy or prematurely redeem the units of an Investment Strategy.
- h. The trustees shall ensure that no change in the fundamental attributes of any Investment strategy, the fees and expenses payable or any other change which would modify the Investment strategy and affect the interest of the unit holders is carried out by the asset management company, unless it complies with sub-regulation (26) of regulation 25 of SEBI (Mutual Funds) Regulations, 1996.
- i. The Trustee shall ensure that no change in the fundamental attributes of any Investment strategy or the trust or fees and expenses payable or any other change which would modify the Investment strategy and affects the interest of Unit holders of the Investment Strategy, shall be carried out by the AMC, unless the AMC ensures compliance with requirements listed hereunder:
 - i) SEBI has reviewed and provided its comments on the proposal;
 - ii) a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the ABC Mutual Fund is situated; and
 - iii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
- j. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI

VIII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Background

A. Equity and Related Instruments

Asset Class	Traded / Non traded	Basis of valuation
Equity and Equity related securities / Preference Shares	Traded	<p>1. Equity and Equity related securities AMC has chosen the National Stock Exchange (NSE) as the Principal Stock Exchange for all its equity and equity-related securities. The specific Stock Exchange for valuation is mentioned in the Investment Strategy offer document.</p> <p>For Index Funds, the Principal Stock Exchange will be the Exchange where the benchmark index has been created.</p> <p>Valuation of Traded Securities:</p> <p>a) Traded securities will be valued at the day's closing price on the NSE.</p> <p>b) If a security is not traded on the NSE on a particular day, the closing price on the Bombay Stock Exchange Limited (BSE) will be considered for valuation.</p> <p>c) If a security is not traded on any stock exchange on a specific valuation day, the value at which it was traded on the National Stock Exchange or the Bombay Stock Exchange, whichever is earlier, on the preceding day will be used. However, this date must not be more than thirty days prior to the valuation date.</p> <p>d) If equity securities are not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' and valued as a non-traded security according to the separate norms provided in the Equity Section Non-Traded.</p> <p>e) If equity securities are not listed on any stock exchange, the scrip will be valued as per the separate norms provided in the Equity Section Non-Traded.</p> <p>2. Derivatives – Equity/Index Options and Futures</p> <p>a) Equity/Index Options:</p> <p>i. Market values of traded option contracts shall be determined based on the exchange on which they are originally contracted. For instance, if an option is contracted on the NSE, its market value would be calculated using the settlement price of the NSE.</p> <p>ii. The exchanges provide daily settlement prices for all derivatives positions. These settlement prices will be adopted for valuing positions that are not traded.</p> <p>b) Equity/Index Futures:</p> <p>i. Market values of traded futures contracts shall be determined based on the exchange on which they are originally contracted. For example, if a futures position is contracted on the NSE, its market value would be calculated using the settlement price of the NSE.</p> <p>ii. The exchanges provide daily settlement prices for all derivatives positions. These settlement prices will be adopted for valuing positions that are not traded.</p>
Equity and Equity related securities/ Preference Shares	Non-Traded	<p>1. Application Money for Primary Market Issue Application money should be valued at cost up to 30 days from the closure of the issue or traded price whichever is earlier. If the security is not allotted / traded within 30 days from the closure of the issue, application money is to be valued as per the directives of valuation committee, which shall be ratified in the next board meeting. Rationale of valuing such application money should also be recorded.</p> <p>2. Thinly Traded Equity/Non-Traded Thinly Traded: When trading in an equity or equity-related security (like convertible debentures, equity warrants, etc.) within a month, the trade value is</p>

less than ₹ 5,00,000, and the total volume is less than 50,000 shares, it's considered a thinly traded security and valued accordingly. To determine if a security is thinly traded, only volumes traded on the NSE and BSE are taken into account.

If a share isn't listed on stock exchanges that provide such information, the Fund must conduct its own analysis to determine if it's thinly traded. If it is, the Fund will value it accordingly.

Thinly traded securities will be monitored on a calendar month basis, not a rolling basis. If a security in the Fund's portfolio is classified as thinly traded based on the above criteria, its fair value will be calculated as mentioned below, disregarding the primary and secondary stock exchange prices. This fair valuation will remain in effect for the entire month, even if the security's volume and value exceed the limit in the current month.

If trading in an equity security is suspended on the stock exchange for up to 30 days, the last traded price will be used for valuation. If the suspension lasts longer than 30 days, the security will be considered non-traded and valued accordingly.

Non-Traded:

If equity securities are not traded on the NSE and BSE for a period of thirty days before the valuation date, the scrip must be considered as a "non-traded" scrip.

Equity Shares:

Based on the latest audited Balance Sheet, net worth will be calculated as follows:

- i. Net Worth per share = [Share Capital + Reserves (excluding Revaluation Reserves) – Misc. expenditure and Debit Balance in P&L A/c] / Number of Paid-up Shares. This calculation will be based on the latest available audited balance sheet.
- ii. The average capitalization rate (P/E ratio) for the industry, based on either NSE or BSE data, will be taken and discounted by 75%. Only 25% of the industry average P/E will be considered as the capitalization rate (P/E ratio). The earnings per share (EPS) of the latest audited annual accounts will be used for this purpose.
- iii. The value calculated based on the net worth value per share and the capital earning value will be averaged and further discounted by 10% to account for thinly. This will result in the fair value per share.
- iv. If the EPS is negative, the EPS value for that year will be taken as zero to calculate the capitalized earnings.
- v. If the latest balance sheet of the company is not available within nine months of the year's close, unless the accounting year is changed, the shares of such companies will be valued at zero.
- vi. If an individual security accounts for more than 5% of the total assets of the Investment Strategy, an independent valuer will be appointed to value the security.
- vii. To determine if a security accounts for more than 5% of the total assets of the Investment Strategy, it will be valued using the above procedure. The proportion of the security to the total net assets of the investment strategy to which it belongs will then be compared on the date of valuation.

Convertible Debentures:

In the case of convertible debentures and bonds, the non-convertible and convertible components would be valued separately. The non-convertible portion would be valued using the same basis as applicable to a debt instrument. Conversely, the convertible component would be valued based on the same basis as would apply to an equity instrument.

If, after conversion, the resulting equity instrument were traded at par with an existing equity instrument that is currently traded, the value of the later instrument could be adopted after applying an appropriate discount for the instrument's non-tradability during the period preceding conversion. While valuing such instruments, it's essential to consider the fact that conversion is optional. The appropriate discount should be approved and factored into the valuation process.

The value of the optional conversion shall be determined as follows:

- If the option to exercise lies with the issuer, the lower of the exercised value and the unexercised value shall be taken.
- If the option to exercise lies with the investor, the higher of the exercised value and the unexercised value shall be taken. The valuation shall be approved by the Valuation Committee.

Non-Traded Rights Entitlements

a) Until they are traded, post the rights renunciation period, the value of the “rights” entitlement would be calculated as per the SEBI prescribed formula stated below:

$$V_r = n/m * (P_{ex} - P_{of})$$

where

V_r = Value of Rights

n = Number of rights offered

m = Number of original shares held

P_{ex} = Ex-right price

P_{of} = Rights Offer price

Ratio of Rights i.e. (n/m where n = No. of Rights offered and m = No. of original shares held) will be adjusted in the quantity directly while booking the Rights and hence not considered again for valuation.

b) Where the rights are not treated pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.

c) In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognised as investments.

d) Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements have to be valued at zero.

e) In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero.

f) Post allotment of the subscription amount for the rights entitlement, it will be valued in line with the normal valuation methodology for valuation of equities.

Non-Traded Warrants

Warrants can be valued at the value of the share which would be obtained on exercise of the Warrant after applying appropriate discount as decided by valuation committee prorated on a monthly basis after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.

If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero.
Value of warrant = (Value of underlying shares – exercise price).

Non-Traded Preference Shares

Non traded preference shares shall be valued in good faith depending upon the type of the preference Share and after considering illiquidity discount, if any. Valuation of non-traded preference shares would depend on the terms of issue of preference shares. i.e., convertible/non-convertible.

- Convertible preference shares should be valued like convertible debentures
- Non-convertible preference shares should be valued like non-convertible debentures.
- In case, dividend is not received, it would be treated as NPA.

Shares on De-merger

On de-merger following possibilities arise which influence valuation

Both the shares are traded immediately on de-merger: In this case, shares of both the Companies are valued at respective traded prices.

Shares of only one company continued to be traded on de-merger: In case one entity is demerged into two or more entities and one of those entities continues to be listed, the value of unlisted entity(ies) will be difference between the closing price of the security on the ex-date (after demerger) and closing price of the security on previous trading day (before demerger) that continues to be listed. The difference in price of two dates will be the valuation price of the unlisted entity(ies) proportionately, till they are listed and traded on a stock exchange. The cost price of new entity/entities would be derived proportionately from the cost price of parent entity.

In case the value of the traded security of de-merged entity is equal to or in excess of the value of that entity before de-merger, then the security of the non-traded entity will be valued at zero.

In case an unlisted security is not listed within a period of 30 days from the ex-date, the valuation price derived for the demerged security will be reviewed on expiry of 30 days.

Both the shares are not traded on de-merger: The price of the shares of the Company one day prior to ex-date of de-merger will be bifurcated over the de-merged shares in the ratio of cost of shares of each demerged entity or on the basis of net assets transferred if the same is available from the Company and any other relevant factors.

In case shares of both the companies are not traded for more than 30 days, these are to be treated as unlisted security and valued accordingly.

On merger/demerger, in case the company specifies any regulations/ method for cost bifurcation or valuation the same will be adopted. In case the above methodology does not derive the fair valuation of demerged entities; the same may be determined by the Valuation Committee on case-to-case basis.

Merger/ Amalgamation:

The valuation of the resulting company would be determined by the valuation of the merging or amalgamating company immediately before the ex-date of the merger or amalgamation.

- In the case of listed merging or amalgamating companies, the valuation of the resulting companies would be the sum of the valuations of the entities immediately prior to the merger date. However, if a listed company merges into an unlisted surviving company, the surviving company should be valued at the traded value of the merging company immediately before the merger.

For example:

1. If Company A merges with Company B to form Company C, Company C would be valued at the sum of the valuations of A and B.
 2. If Company A, a listed company, merges with Company B, an unlisted company, Company B would be valued at the traded price of Company A immediately before the merger.
- In the case of one of the merging or amalgamating companies being unlisted, the valuation of the resulting companies would be based on fair valuation principles as guided by the valuation committee.
 - If the above companies remain unlisted for more than three months, an illiquidity discount may be applied to the derived prices based on the market capitalization of the issuer. The discount rates would be 5%, 10%, and 15% for large-cap, mid-cap, and small-cap companies, respectively.
 - In the case of listed companies, the valuation committee may decide on a fair value other than the ones mentioned above, considering the specific facts of each case on a case-by-case basis. Further guidance from the valuation committee would be sought for any exceptional cases not covered in the above guidelines.

Partly Paid-up Equity Shares

Non-traded: If traded, the value of fully paid shares shall be reduced by the uncalled liability per share to derive the price of non-traded partly paid shares.

If fully paid-up shares are not traded, the valuation principles for valuing non-traded equity shares shall be applied to fully paid-up on-traded shares (with

		<p>appropriate illiquidity discounts) and then reduced by the uncalled liability per share to determine the value of non-traded partly paid shares.</p> <p>Thinly Traded: Partly paid shares should be valued at the lower of the following two prices:</p> <ul style="list-style-type: none"> • The current closing price per share of fully paid-up shares minus the uncalled amount per share of partly paid shares, and • The closing price of the partly paid share if it has not been traded on any specific valuation day (not exceeding the last 30 days).
Equity and Equity related securities/ Preference Shares	Suspended equity securities	<ul style="list-style-type: none"> • In case trading in an equity security is suspended for trading on the stock exchange, the last traded price would be considered for valuation of that security upto 30 days. • If an equity security remains suspended for trading on the stock exchange for more than 30 days, then it would be considered as non-traded and valued accordingly.
Equity and Equity related securities/ Preference Shares	Unlisted Equity Shares	<p>Unlisted equity shares of a Company shall be valued “in good faith” on the basis of the valuation principles laid down below:</p> <ol style="list-style-type: none"> Based on the latest available audited balance sheet, net worth shall be calculated as lower of (i) and (ii) below: <ol style="list-style-type: none"> Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid-up Shares. Net worth per share shall again be calculated after taking into account the outstanding warrants and options, and shall be = [share capital plus consideration on exercise of Option/Warrants received/receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by {Number of Paid up Shares plus Number of Shares that would be obtained on conversion/ exercise of Outstanding Warrants and Options}. <p>The lower of (i) and (ii) above shall be used for calculation of net worth per share and for further calculation in (c) below.</p> <ol style="list-style-type: none"> Average capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the industry average P/E shall be taken as capitalization rate (P/E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share. <p>The above methodology for valuation shall be subject to the following conditions:</p> <ol style="list-style-type: none"> All calculations as aforesaid shall be based on audited accounts. In case where the latest balance sheet of the Company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. If the net worth of the Company is negative, the share would be marked down to zero. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalized earning. In case an individual security accounts for more than 5% of the total assets of the Investment Strategy, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the Investment Strategy, it should be valued in accordance with the procedure as mentioned above on the date of valuation.
Equity and Equity related securities/ Preference Shares	Illiquid Securities	<ol style="list-style-type: none"> Aggregate value of “illiquid securities” of Investment Strategy, which are defined as non- traded and unlisted equity shares, shall not exceed 15% of the total assets of the Investment Strategy and any illiquid securities held above 15% of the total assets shall be assigned zero value. All funds shall disclose as on March 31 and September 30 the Investment Strategy - wise total illiquid securities in value and percentage of the net assets while making disclosures of half yearly portfolios to the unit holders. In the list of investments, an asterisk mark shall also be given against all such investments, which are recognized as illiquid securities.

Equity and Equity related securities/ Preference Shares	Inter- Investment Strategy Transfers	Inter- Investment Strategy transfers of equity securities would be impacted by the prevailing spot market price of the security at the time of the transfer. To achieve this, a record of the security's quoted prices on the relative stock exchange (e.g., NSE/BSE) or through the Bloomberg Terminal would be obtained. This record would include the date, time, and current quoted price. The price quoted on the stock exchange would serve as the effective price for the inter- Investment Strategy transfer.
Valuation of Convertible Debentures and Bonds		<ul style="list-style-type: none"> As per the Eighth Schedule of SEBI (Mutual Fund) Regulation, the valuation method for convertible debentures and bonds prescribed by Mutual Funds will be followed. In this regard, the non-convertible and convertible components of these instruments will be valued separately. The non-convertible component should be valued based on the same principles applicable to a debt instrument. Conversely, the convertible component should be valued based on the principles applicable to an equity instrument. If, after conversion, the resulting equity instrument would be traded at par with an existing instrument that is currently traded, the value of the latter instrument can be adopted. However, an appropriate discount should be applied for the non-tradability of the instrument during the period preceding conversion while valuing such instruments. Additionally, the fact that the conversion is optional should also be considered during valuation.
Valuation of Warrants	Non-Traded	<p>Warrants can be valued at the value of the share which would be obtained on exercise of the Warrant after applying appropriate discount as decided by valuation committee prorated on a monthly basis after reducing the exercise price / issuance price from the closing price of the underlying cash equity security.</p> <p>If the amount payable on exercise of the warrants is higher than the value of the share, the value of the warrants should be taken as zero. Value of warrant = (Value of underlying shares – exercise price).</p>
Value of "Rights" entitlement	Non-Traded	<p>a. Until they are traded, post the rights renunciation period, the value of the "rights" entitlement would be calculated as per the SEBI prescribed formula stated below:</p> $V_r = n/m * (P_{ex} - P_{of})$ <p>where V_r = Value of Rights n = Number of rights offered m = Number of original shares held P_{ex} = Ex-right price P_{of} = Rights Offer price Ratio of Rights i.e. (n/m where n = No. of Rights offered and m = No. of original shares held) will be adjusted in the quantity directly while booking the Rights and hence not considered again for valuation.</p> <p>b. Where the rights are not treated pari-passu with the existing shares, suitable adjustments would be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights would be valued at the renunciation value.</p> <p>c. In case original shares on which the right entitlement accrues are not traded on the Stock Exchange on an ex-right basis, right entitlement should not be recognised as investments.</p> <p>d. Where right entitlements are not traded and it was decided not to subscribe the rights, the right entitlements have to be valued at zero.</p> <p>e. In case the rights offer price is greater than the ex-rights price, the value of the rights share is to be taken as zero. Post allotment of the subscription amount for the rights entitlement, it will be valued in line with the normal valuation methodology for valuation of equities.</p>
Equity and Equity related securities	Foreign Equity	<p>On the Valuation Day, the securities issued outside India and listed on the stock exchanges outside India shall be valued at the closing price on the stock exchange at which it is listed or at the last available traded price. However, in case a security is listed on more than one stock exchange, the AMC reserves the right to determine the stock exchange, the price of which would be used for the purpose of valuation of that security. The stock exchange once selected would be used consistently till changed by recording the reasons in writing by Board of AMC.</p> <p>In case a security is not traded on valuation day, the last traded price/last available price would be used for valuation till T – 30 days. In case security</p>

		<p>is not traded for more than 30 days, the same would be valued on a fair value basis by the Valuation Committee of the AMC.</p> <p>On valuation date, all assets and liabilities in foreign currency shall be valued in Indian Rupees at the RBI/FBIL reference rate as available at 05:00 p.m. on the relevant business day in India. For Currencies where RBI/FBIL reference rate is not available, Bloomberg/Reuters/any other designated agency shall be used. If required, the AMC may change the source of determining the exchange rate.</p> <p>The Trustees reserve the right to change the source for determining the exchange rate. The exchange gain / loss resulting from the aforesaid conversion shall be recognized as unrealized exchange gain / loss in the books of the Investment Strategy on the day of valuation. Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain / loss in the books of the Investment Strategy on the settlement of such assets / liabilities.</p> <p>The procedure for valuing investments in foreign equities is outlined as follows:</p> <ol style="list-style-type: none"> a. Select the most appropriate stock exchange for all equity and equity-related securities held by the Investment Strategy. b. The closing prices of securities available will be taken for valuation. If these prices are unavailable, the last traded price will be considered <p>In addition to the above the accounting / valuation for currency rates is given below:</p> <ol style="list-style-type: none"> a. When investing in or selling securities, the record of the purchase or sale will be logged in the portfolio currency of Indian Rupees (INR). The cost of the purchase or sale, including brokerage and other fees, will be converted to INR at the agreed exchange rate. b. At the time of settlement, the difference between the FX reference rate on the trade date and the actual FX rate used for settlement will be classified as a gain or loss due to fluctuation in foreign exchange. c. Every day, when the closing prices and the currency rates are received, they will be applied to the portfolio, and the unrealized capital gain and FX gain will be calculated separately. <p>Valuation of ADR/GDR</p> <p>If a security such as ADR/GDR, etc. are traded in OTC (over the counter) market, in such cases closing price (source: Reuters/Bloomberg) in OTC market will be considered for valuation.</p> <p>Non -traded ADR /GDRs shall be valued after considering prices/ issue terms of underlying security. The Valuation Committee shall decide the appropriate discount for illiquidity. Non-traded foreign security shall be valued by AMC at fair value after considering relevant factors on a case-to-case basis.</p>
Valuation of Repo		Valuation of repurchase (repo) transactions including TREPS with tenor of up to 30 days except for overnight repos shall be valued at mark to market basis based on Valuation provided by Valuation Agencies. Overnight repos including TREPS will be valued at cost plus accrual basis.
Equity and Equity related securities	Initial Public Offering (IPO) Application	<p>Prior to allotment - Valued at Bid (cost) price. Recognition and valuation would start from the date of allotment. Post allotment but awaiting listing – to be valued at allotment price.</p> <p>Pending listing, securities shall be valued as follows:</p> <ul style="list-style-type: none"> • At their cost, up to two months from the date of allotment. • Valued as unlisted equity shares after two months.
Equity and Equity related securities	Valuation of SIF Units	SIF Units listed and traded would be valued at their closing traded price on the valuation date. Unlisted SIF Units and listed but not traded SIF Units would be valued at the last declared NAV on the AMFI website on the valuation date.

Equity and Equity related securities	Valuation of Securities Lending & Borrowing	The valuation of securities lent under the Securities Lending Scheme shall be valued as per the valuation guideline of the respective security as mentioned in this document. The lending fees received for the securities lent out would be accrued in a proportionate manner till maturity of the contract.
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Valuation of Fixed income and related securities

Category	Policy
Valuation of Debt/ Money market securities	<p>Money Market and Debt Instruments include Certificates of Deposit (CDs), Fixed Coupon Bonds, Zero Coupon Bonds, Pass-Through Certificates, Floating Rate Securities (FRNs), Commercial paper, and Bank Rate Discounted Securities (BRDS), among others.</p> <p>These instruments shall be valued at an average of their security level prices obtained from AMFI approved valuation agencies (CRISIL and ICRA).</p> <ul style="list-style-type: none"> • In the event that the security level prices provided by valuation agencies are unavailable for a new security (which is currently not held by any Mutual Fund), the security may be valued at the purchase yield on the date of allotment or purchase. • The valuation Committee shall be responsible for monitoring abnormal situations and market disruptions that may prevent the obtainability or adequacy of current market information for the valuation of securities. These cases shall be reported to the Board from time to time. • Any changes in the policy due to clarification or communication from AMFI or internal sources shall be communicated to the Board on a regular basis. <p>The embedded securities option would be valued at the following:</p> <p>a) Securities with call option: The securities with call options shall be valued at the lower of the value calculated by valuing the security to its final maturity and valuing the security to the call option. If there are multiple call options, the lowest value obtained by valuing the security to each call date and valuing it to the maturity date is to be considered the instrument's value.</p> <p>b) Securities with Put option: The securities with a put option shall be valued at the higher of the value calculated by valuing the security to its final maturity and valuing the security to the put option. If there are multiple put options, the highest value obtained by valuing the security to each put date and valuing it to the maturity date is to be considered the instrument's value.</p> <p>c) Securities with multiple put options present ab-initio In the case of securities with multiple put options present from the outset, where the put option is factored into the security's valuation by the valuation agency, if the fund does not exercise the put option while exercising it would have favoured the Investment Strategy, the following steps must be taken:</p> <ol style="list-style-type: none"> i. The Mutual Fund must provide justification for not exercising the put option to the valuation agencies (AMC and Trustee Board) before the last date of the notice period. ii. The valuation agencies should not consider the remaining put options for the purpose of valuing the security. Put option will be considered in favour of the Investment Strategy if the valuation price, ignoring the put option, yields a return of more than 30 basis points (bps) over the contractual yield or coupon rate. <p>d) Securities with both Put and Call option on the same day: Only securities with put and call options on the same day and having the same put and call option price will be deemed to mature on that put or call date and valued accordingly. In all other cases, the cash flow of each put or call option will be evaluated, and the security will be valued based on the following steps:</p> <ol style="list-style-type: none"> i. Identify a 'Put Trigger Date': This is the date when the 'price to put option' is the highest compared to other put options and the maturity price. ii. Identify a 'Call Trigger Date': This is the date when the 'price to call option' is the lowest compared to other call options and the maturity price. iii. If neither a Put Trigger Date nor a Call Trigger Date ('Trigger Date') is available, the valuation will be done based on the maturity price. iv. If only one Trigger Date is available, the valuation will be done based on that Trigger Date. v. If both Trigger Dates are available, the valuation will be done based on the earlier Trigger Date. <p>If a SIF fails to exercise a put option that would have favoured the Investment</p>

	<p>Strategy, the SIF must provide a justification to the Valuation Agencies, the Board of AMC, and the Trustee Co. before the end of the notice period.</p> <p>The Valuation Agencies should not consider the remaining put options when valuing the security.</p> <p>The put option is considered in favour of the Investment Strategy if the valuation price, excluding the put option under evaluation, yields more than the contractual yield or coupon rate by 30 basis points.</p>														
Government Securities	Central Government Securities (CGs), State Development Loans (SDLs), Treasury Bills, Cash Management Bills, and other securities shall be valued based on the average of security level prices obtained from valuation agencies.														
Interest Rate Swaps/ Forward Rate Agreements	Regardless of the remaining maturity, IRS and FRAs shall be valued at the average of the security level prices obtained from valuation agencies.														
Bank Fixed Deposits, TRI- PARTY REPO/ TREPS*, Reverse Repo, Repo, Corporate Bond Repo, CROMS	<p>Deposits with banks shall be valued at the cost plus accrual basis. In the event of a prepayment penalty, the accrual rate for that period would be the applicable rate minus any prepayment penalty.</p> <p>Valuation of repurchase (repo) transactions including TREPS with tenor of up to 30 days except for overnight repos shall also be valued at mark to market basis based on Valuation provided by Valuation Agencies. The same should be accordance to SEBI Circular SEBI/HO/IMD/IMD-I PoD-1/P/CIR/2024/163 dated November 26, 2024.</p> <p>However, if the security level prices provided by valuation agencies are unavailable (which is currently not held by any Mutual Fund), then these securities will be valued at the purchase yield on the date of purchase.</p>														
Valuation of AT-1 and Tier II bonds issued under Basel III.	<p>Valuation of AT-1 and Tier II bonds issued under Basel III framework. AT-1 / Tier II bonds will be valued at average of the security level prices provided by Valuation Agencies. For arriving at security level pricing, waterfall approach to be followed by Valuation agencies is annexed as follows :</p> <ol style="list-style-type: none"> Reference is drawn to clause 9.3.1.1 and clause 9.4.2 of the Master Circular dated June 27, 2024 for Mutual Funds (“Master Circular”), on valuation of bonds with multiple call options. National Financial Reporting Authority (NFRA), in its report to Department of Economic Affairs, Ministry of Finance, has recommended that since the market practice for AT-1 bonds has been observed to trade at or quote prices closer to Yield to Call (YTC) basis, valuation of AT-1 Bonds on Yield to Call basis (adjusted with appropriate risk spreads) will be consistent with the principles of market-based measurement under Ind AS 113. NFRA, in its report, has further stated that the above recommendation on YTC methodology is confined only to the interpretation of Ind AS 113 with reference to the valuation of AT-1 bonds and the issue of deemed maturity date for other purposes is outside NFRA’s remit. In view of the above, to align the valuation methodology with the recommendation of NFRA, it has been decided that the valuation of AT-1 Bonds by Mutual Funds shall be based on Yield to Call. For all other purposes, since liquidity risk of perpetual bonds is required to be suitably captured, deemed maturity of all perpetual bonds shall continue to be in line with the clause 9.4.2 of the Master Circular <p>I. Deemed Residual Maturity of Bonds Deemed Residual Maturity for the Purpose of Calculation of Macaulay Duration for existing as well as new perpetual bonds issued:</p> <table border="1"> <thead> <tr> <th>Time Period Bonds (Years)#</th> <th>Deemed Residual Maturity of Base III AT-1</th> </tr> </thead> <tbody> <tr> <td>Till March 31, 2022</td> <td>10</td> </tr> <tr> <td>April 01, 2022 – September 31, 2022</td> <td>20</td> </tr> <tr> <td>October 01, 2022 – March 31, 2023</td> <td>30</td> </tr> <tr> <td>March 31, 2023, onwards</td> <td>100</td> </tr> </tbody> </table> <p># the residual maturity will always remain above the deemed residual maturity proposed above</p> <table border="1"> <thead> <tr> <th>Time Period</th> <th>Deemed Residual Maturity of Basel III Tier II Bonds (Years) April 01, 2021 – March 31, 2022, onwards</th> </tr> </thead> <tbody> <tr> <td></td> <td>10 years or contractual maturity whichever is earlier April 01, 2022, Contractual Maturity</td> </tr> </tbody> </table> <p>The Macaulay Duration is proposed to be calculated as under for Tier II bonds:</p> <ol style="list-style-type: none"> If the issuer does not exercise call option for any ISIN, then maturity of bonds to be considered as 100 years from the date of issuance of AT-1 bonds and contractual maturity of Tier II 	Time Period Bonds (Years)#	Deemed Residual Maturity of Base III AT-1	Till March 31, 2022	10	April 01, 2022 – September 31, 2022	20	October 01, 2022 – March 31, 2023	30	March 31, 2023, onwards	100	Time Period	Deemed Residual Maturity of Basel III Tier II Bonds (Years) April 01, 2021 – March 31, 2022, onwards		10 years or contractual maturity whichever is earlier April 01, 2022, Contractual Maturity
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	<p>Bonds for all the ISINs of the said issuer.</p> <p>2. If the non-exercise of call option is due to financial stress or in case of adverse news, the same must be reflected in the valuation.</p> <p>II. Guidelines for Valuation</p> <p>1. Form two types of ISINs:</p> <p>a) Benchmark ISINs (a non- benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds.)</p> <p>b) Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).</p> <p>c) The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs / Issuers, and the spread range in which the group of ISINs / Issuer's trade over the benchmark.</p> <p>2. Take a look back period for trade recognition as under:</p> <p>a) 15 working days for benchmark ISINs</p> <p>b) 30 working days for non- benchmark ISINs</p> <p>c) This will be revised to 7 working days for benchmark ISIN and 15 working days for non- benchmark ISINs from October 01, 2021.</p> <p>Note 1</p> <p>a) If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation. If 1 ISIN of the issuer trades all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM</p> <p>c) If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation however with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen.</p> <p>d) If there is an actual trade in look back period the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.</p> <p>Note 2</p> <p>As the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate etc., which has bearing on the yield of ISIN being valued.</p> <p>Note 3</p> <p>If there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.</p> <p>Note 4</p> <p>AT-1 bonds and Tier 2 bonds being different categories of bonds, the valuation of these bonds will be done separately (i.e.) ISIN of AT-1 bond traded will not mean that ISIN of Tier-2 bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay Duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 bonds, for all ISINs of the issuer</p>
Units of REIT and Inv IT	<ul style="list-style-type: none"> • On a valuation day, traded units of InvIT/ReITs are to be valued at the last quoted closing price on the primary stock exchange. • When on a particular valuation day, units of InvIT/ReITs have not been traded on the primary stock exchange; the value at which it is traded on secondary stock exchange will be used. • When units of InvITs and ReITs are not traded on any stock exchange on a particular valuation day, the value at which these were traded on the selected stock exchange or any other stock exchange, as the case may be, on any day immediately prior to valuation day, shall be considered for valuation provided that such date is not more than thirty days prior to the valuation date. • Where units of InvITs and ReITs are not traded on any stock exchange for a continuous period of 30 days then the valuation for such units of InvITs and ReITs will be determined by the Valuation Committee in consultation with the Internal Auditors or independent valuation agencies as deemed appropriate by the Valuation Committee from time to time. <p>In addition to the above, if the valuation of units of InvITs and REITs is provided by the independent agency as approved by AMFI, AMC may get into an arrangement with such agency to provide security level price for Valuation.</p>

<p>Inter Investment Strategy transfers of debt securities</p>	<ul style="list-style-type: none"> • AMCs shall request pricing information for IST from valuation agencies for any money market or debt security, regardless of its maturity. • AMFI, in collaboration with valuation agencies, shall determine a turnaround time (TAT) within which IST prices will be provided by the agencies. • If prices from the valuation agencies are received within the pre-agreed TAT, an average of these prices will be used for IST pricing. • If only one valuation agency provides a price within the agreed TAT, that price will be used for IST pricing. • If prices are not received from any valuation agency within the agreed TAT, AMCs may determine the IST price in accordance with Clause 3 (a) of the Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996. <p>Clause 3 (a) specifies that such transfers are executed at the prevailing market price for the quoted instruments on a spot basis.</p>																																								
<p>Non - Investment Grade Securities</p>	<ul style="list-style-type: none"> • A money market or debt security is classified as “below investment grade” if its long-term rating, issued by a SEBI-registered Credit Rating Agency (CRA), falls below BBB or if its short-term rating is below A3. • It is classified as “Default” if the interest and/or principal amount has not been received on the due date or when the security has been downgraded to “Default” grade by a CRA. In such cases, Mutual Funds must promptly inform valuation agencies and CRAs of any instances of non-receipt of interest and/or principal amount (part or full) in any security. <p>Para 2.0 of SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019 provides for valuation of money market and debt securities at prices provided by the valuation agencies notified by AMFI. Till the time provided by the agencies scrip level valuation is not available from the agency’s securities are to be valued on the basis of indicative haircuts. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. These haircuts shall be updated and refined as and when there is availability of material information which impacts the haircuts. During this period if there are trades in the security it may be considered for valuation if it is lower than the price post standard haircut. The minimum trade size in such cases will be determined by the valuation agencies.</p> <p>The current indicative haircuts, as determined by the valuation agencies and communicated by AMFI, are:</p> <p>For senior, secured securities</p> <table border="1" data-bbox="542 1115 1427 1325"> <thead> <tr> <th>Rating/sector</th> <th>Infrastructure, Regal Estate, Hotels, Loan against shares and Hospitals</th> <th>Other Manufacturing and Financial Institutions</th> <th>Trading, Gems Jewellery and Others</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>15%</td> <td>20%</td> <td>25%</td> </tr> <tr> <td>B</td> <td>25%</td> <td>40%</td> <td>50%</td> </tr> <tr> <td>C</td> <td>35%</td> <td>55%</td> <td>70%</td> </tr> <tr> <td>D</td> <td>50%</td> <td>75%</td> <td>100%</td> </tr> </tbody> </table> <p>For subordinated, unsecured or both</p> <table border="1" data-bbox="542 1388 1427 1612"> <thead> <tr> <th>Rating/sector</th> <th>Infrastructure, Regal Estate, Hotels, Loan against shares and Hospitals</th> <th>Other Manufacturing and Financial Institutions</th> <th>Trading, Gems Jewellery and Others</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>25%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>B</td> <td>50%</td> <td>50%</td> <td>50%</td> </tr> <tr> <td>C</td> <td>70%</td> <td>70%</td> <td>70%</td> </tr> <tr> <td>D</td> <td>100%</td> <td>100%</td> <td>100%</td> </tr> </tbody> </table> <p>In the context of the circular, the decision to classify a rating as below investment grade will be made by considering the most conservative rating provided by the instrument’s rating agency, if it has multiple ratings.</p> <p>The AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade, as provided by the valuation agencies. However, this deviation must be justified and documented.</p> <ol style="list-style-type: none"> The AMC must record the detailed rationale for any deviation from the price post haircuts or the price provided by the valuation agencies. Additionally, the rationale for the deviation, along with relevant details such as the security’s ISIN, issuer name, rating, the price at which it was valued, the price post haircuts, or the average of the prices provided by the valuation agencies (as applicable), and the impact of the 	Rating/sector	Infrastructure, Regal Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems Jewellery and Others	BB	15%	20%	25%	B	25%	40%	50%	C	35%	55%	70%	D	50%	75%	100%	Rating/sector	Infrastructure, Regal Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems Jewellery and Others	BB	25%	25%	25%	B	50%	50%	50%	C	70%	70%	70%	D	100%	100%	100%
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D	100%	100%	100%																																						

	<p>deviation on the Investment Strategy's Net Asset Value (in amount and percentage terms) must be reported to the Board of AMC and Trustees.</p> <p>Furthermore, the rationale for the deviation, along with the details, will be disclosed to investors under a separate section on the website. Moreover, the total number of such instances of deviation will be disclosed in the monthly and half-yearly portfolio statements for the relevant period. These statements will also include an exact link to the website where all such instances of deviation are available.</p>
Gold	<p>Valuation of Gold as prescribed by SEBI Regulations:</p> <p>The gold held by a gold exchange traded fund Investment Strategy shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:</p> <ol style="list-style-type: none"> i. Adjustment for conversion to metric measures as per standard conversion rates; ii. Adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Financial Benchmarks India Limited (FBIL); and iii. Addition of – <ol style="list-style-type: none"> a. Transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund; and b. Notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from London to the place where it is actually stored on behalf of the mutual fund: <p>Provided that the adjustment under clause (iii) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund.</p> <p>The premium / discount shall be decided by comparing the domestic price i.e. MCX spot price with the valuation price. In case MCX spot price is not available, any other appropriate source may be used as agreed upon by valuation committee to determine the domestic price.</p> <p>Provided further that where the gold held by a gold exchange traded fund Investment Strategy has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.</p> <p>If the gold acquired by the gold exchange traded fund Investment Strategy is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of paragraph (I)</p> <p>Valuation process flow shall be as below:</p> <ol style="list-style-type: none"> i. The process of valuing Gold shall be carried out in accordance with the guidelines set out by SEBI, with the fixing price available on the LBMA site. ii. The Valuation Committee of the AMC shall review and determine the Premium/Discount and fixing charges for the valuation of Gold on an ongoing basis. iii. The LBMA Gold price is quoted in USD/Oz for 999 fineness and must be converted to Troy Ounces per kilogram for 995 purity using the NYMEX conversion factor. The fineness quotient must also be adjusted using the factor 0.995996 (0.995/0.999) if the gold is of 999 fineness. iv. The adjustment or conversion factor for ounce to kg is as below *for 995 purity it is 31.99 *for 999 purity it is 32.12 v. To convert USD into INR, it must be multiplied by the INR reference rate provided by Financial Benchmarks India Pvt. Ltd. or a similar agency. vi. Custom duty is applied per Kg. <p>GST is excluded from the Valuation.</p>
Silver	<p>The Silver held by a Silver exchange traded fund Investment Strategy shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for Silver having a fineness of 999.0 parts per thousand, subject to the following:</p> <ol style="list-style-type: none"> a. Adjustment for conversion to metric measures as per standard conversion rates; b. Adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and

	<p>c. Addition of –</p> <ol style="list-style-type: none"> i. Transportation and other charges that may be normally incurred in bringing such Silver from London to the place where it is actually stored on behalf of the mutual fund; and ii. Notional customs duty and other applicable taxes and levies that may be normally incurred to bring the Silver from London to the place where it is actually stored on behalf of the mutual fund: <p>Provided that the adjustment under clause (iii) above may be made on the basis of a notional premium that is usually charged for delivery of Silver to the place where it is stored on behalf of the mutual fund.</p> <p>The premium / discount shall be decided by comparing the domestic price i.e. MCX spot price with the valuation price. In case MCX spot price is not available, any other appropriate source may be used as agreed upon by valuation committee to determine the domestic price.</p> <p>Provided further that where the Silver held by a Silver exchange traded fund Investment Strategy has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.</p> <p>If the Silver acquired by the Silver exchange traded fund Investment Strategy is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of paragraph (I)</p> <p>Valuation process flow shall be as follows:</p> <ol style="list-style-type: none"> i. The LBMA Silver Fixing for the day available on the LBMA site will be used for valuation. ii. The premium/discount and fixing charges for such valuation shall be reviewed and determined by the Valuation Committee of the AMC. iii. The quoted LBMA Silver price is in USD/Oz for 999 fineness, and Troy ounces per kilogram shall be used for conversion to Kilograms, the applicable conversion factor of Troy ounces per kilogram shall be used for 999 purity. iv. The conversion or adjustment of ounce to kg will be as below *for 999 purity it is 32.1507 v. This USD amount will be multiplied with the INR reference rate provided by Financial Benchmarks India Pvt. Ltd. or any other similar agency. vi. Custom duty shall be fixed on a per kilogram basis vii. GST shall be excluded from the valuation. <p>If the LBMA AM fixing or FBIL reference rate is not published on any given day, the most recently available rate shall be utilized to compute the value of goods such as Silver and Gold.</p>
Interest Rate Futures (IRF)	<ul style="list-style-type: none"> • Market values of traded futures contracts shall be determined based on the exchange on which the contract was originally traded. For instance, if a futures position was contracted on the NSE, its value would be calculated using the settlement price on the NSE. However, the price of the same futures contract on the BSE cannot be used for valuation unless the contract itself was traded on the BSE. <p>The Exchanges provide daily settlement prices for all derivative positions. These settlement prices will be adopted for valuing positions that are not traded.</p>
Securities purchased on Private Placement Basis	<p>In the case of securities purchased on a private placement basis, if valuation agencies provide the security prices, they should be valued or priced accordingly.</p> <p>If a security is purchased on a private placement basis, its valuation will be based on the Purchase Yield on the date of purchase. Subsequently, the valuation will be conducted at the average of the security's level prices obtained from valuation agencies.</p>
Domestic / Overseas Mutual Fund Units and Alternative Investment Fund (AIF) Units (including units of ETFs)	<p><u>Domestic Mutual Fund Units and Alternative Investment Fund (AIF) Units:</u></p> <ol style="list-style-type: none"> i. Listed & Traded: Units shall be valued at the closing traded price available on the stock exchanges (NSE or BSE) as on the valuation date ii. Unlisted and Listed but not traded: Units shall be valued at the last declared NAV on AMFI website or CDMD Fund's website in case of AIF units as on the valuation date.
Securities Lending and borrowing	<p>The valuation of securities lent under the Securities Lending Scheme shall be valued as per the valuation guideline of the respective security as mentioned in this document. The lending fee received by the securities lent out would be accrued in a proportionate manner till the maturity of the contract.</p>

Upfront fee	<p>1. Upfront Fees on all trades (including primary market trades), by whatever name called, will be considered by the valuation agencies for the purpose of valuation of securities.</p> <p>2. Details of such upfront fees will be shared with the valuation agencies on the trade date to enable them to arrive at the fair valuation for that date.</p> <p>3. Upfront fees will be reduced from the cost of investment and will be shared on pro-rata basis if the investment in a particular security is made from multiple Investment Strategy</p>
Exchange Traded Commodity Derivatives	<p>Futures and Options: ETCDs shall be valued at the last quoted closing price on the exchange where such contracts are listed. On a valuation day, if last quoted closing price is not available then such ETCD contracts shall be valued at the settlement price.</p> <p>Conversion of ETCDs into Physical Commodities: In case ETCDs gets converted into physical commodities then upon the receipt of physical commodity at the exchange accredited warehouse in the allocated location (as notified and determined by the exchanges) the commodity shall be valued based on the spot/pooled physical price of the respective location as published by the respective commodity exchanges.</p> <p>Spot/Pooled price of respective commodity is published every day at the MCX website which can be referred for valuation of stocks lying in the warehouse/designated vaults. If on any day the spot/pooled prices as above are not available due to holiday, then the prices of immediately preceding day will be considered for the purpose of valuation of such commodity</p>

Guidelines on Polling Process for Money Market and Debt Securities:

The Guidelines on polling issued by AMFI in consultation with SEBI are as under:

Polling Guidelines:

- Valuation agencies shall identify the Mutual Funds who shall participate in the polling process on a particular day, taking into account factors such as diversification of poll submitters and portfolio holding of the Mutual Funds. Mutual Funds who are identified by the valuation agencies shall necessarily participate in the polling process. However, in case any SIF does not participate in the polling process, detailed reason for the same shall be recorded at the time and subsequently made available during SEBI inspections. In this respect, since a SIF may have investments in similar securities, a security not forming part of investment universe may not be considered as an adequate reason for not participating in the polling process.
- Polling will be carried out on a daily basis by the valuation agencies, in terms of points mentioned below.
- Each valuation agency needs to take polls from at least 5 unique Mutual Funds on a daily basis. Hence, between the two valuation agencies 10 unique Mutual Funds to be polled. They may cover more Mutual Funds, over and above this. For benchmark securities a poll constituting at least 5 responses will be considered as valid. In case of non-benchmark securities a poll constituting at least 3 responses will be considered as valid. The responses received by each valuation agency will be shared with the other agency also.
- Median of polls shall be taken for usage in valuation process.
- The valuation agencies will also need to cover as many non- SIF participants as possible, over and above the Mutual Funds, to improve on the polling output quality.
- Endeavour would be made to have adequate representation of both holders and non-holders of the same bond/same issuer for non-benchmark securities in the poll process. Where this is not possible, valuation agencies may seek polls from holders of bonds with a similar structure.
- In the case of issuers with multiple notch rating upgrades/ downgrades over short periods of time, valuation agencies shall: a. Conduct polls with a larger universe of pollers. b. Increase the frequency of polling
- Suo moto feedback on valuations should be entertained only through formal mails from persons designated by AMC for said purpose, and the same shall be validated through repolling. Any such feedback shall be duly recorded by the valuation agencies, including the reason for the challenge, results of repolling and subsequent changes in valuation on re-polling, if any. Such records shall be preserved by the valuation agencies, for verification.
- Polling will be done for two sets of securities, Benchmark & Others.
- Benchmark will be defined for the following categories across tenors.
 - Treasury Bills
 - Central Government Securities
 - State Government Securities
 - AAA PSU/PFI/PSU Banks
 - AAA Private
 - NBFC
 - HFC
 - Any other as required for improving fair valuations
- Polling shall be conducted in the following two scenarios:
 - Validation of traded levels if they are outlier trades.
 - Non traded Securities (in exceptional circumstances as defined in the waterfall mechanism for valuation of money market and debt securities).
- Best efforts should be made by poll submitters to provide fair valuation of a security.
- The polling process will be revalidated by external audit of the valuation agencies with at least an annual frequency.
- AMCs shall have a written policy, approved by the Board of AMC and Trustees, on governance of the polling process. The aforesaid policy shall include measures for mitigation of potential conflicts of interest in the polling process and shall identify

senior officials, with requisite knowledge and expertise, who shall be responsible for polling. Further, the policy should outline the following aspects.

- o the process of participating in a polling exercise.
- o identify the roles and responsibilities of persons participating in the polling.
- o include policies and procedures for arriving at the poll submission
- o cover the role of the Board of AMC and Trustees, and the periodic reporting that needs to be submitted to them.
- o All polling should be preferably over email. In case for any reason, the polling is done by way of a telephonic call then such a call should be over recorded lines, followed subsequently by an email.
- o AMCs should have adequate business continuity arrangements for polling, with the necessary infrastructure/skill to ensure that consistent delivery of poll submissions is made without material interruption due to any failure, human or technical.
- All polling done will have to be documented and preserved in format approved by the Board of AMC, for a period of eight years, along-with details of the basis of polling (such as market transactions, market quotes, expert judgement etc.).
- AMCs shall ensure that participation in the polling process is not mis-used to inappropriately influence the valuation of securities. The officials of the AMC who are responsible for polling in terms of point no. 14 above, shall also be personally liable for any misuse of the polling process.
- AMCs shall maintain an audit trail for all polls submitted to valuation agencies.

Notes:

- I. Public Platform refers to:
Clear corp F-TRAC Platform of Clear corp Dealing Systems (India) Ltd. (CDSIL), NSE & BSE :
For Commercial Papers and Certificate of Deposits
Clearcorp F-TRAC Platform of Clearcorp Dealing Systems (India) Ltd. (CDSIL)
For corporate bonds / debentures and securitized debts order of preference for the Public Platforms for consideration would be as follow: NSE - NSE OTC
BSE – ICDM
NDS-OM: For Government Securities, Treasury Bills, Cash Management Bills, State Development Loans etc.
- II. Following assets will be valued at cost plus accruals / amortization:
 - Bank Fixed Deposits
 - TREPS / Reverse Repo (including Corporate Bond Repo) with tenor up to 30 days
- III. Weighted average YTM / Last Traded YTM shall be rounded up to two digits after decimal point.
- IV. In case of any deviation from the valuation price for money market and debt securities provided by the valuation agencies, AMC shall follow the procedure as mentioned in SEBI Circular No SEBI/HO/IMD/DF4/ CIR/P/2019/41 dated March 22, 2019 and SEBI Circular No SEBI/HO/ IMD/DF4/CIR/P/2019/102 dated September 24, 2019

IX. COMPUTATION OF NAV

A. Policy on computation of NAV and Policy for computation on NAV in foreign Securities

The AMC shall compute NAV of the Units of the Investment Strategy by dividing the net assets of the Investment Strategy by the number of Units outstanding on the valuation date. The AMC shall value its investments according to the valuation norms (Valuation Policy includes computation of NAV in case of investment in foreign securities), as specified in the Eighth Schedule of the Regulations, or such guidelines / recommendations as may be specified by SEBI from time to time.

- a. NAV of Units under the Investment Strategy will be calculated as shown below:

$$\text{NAV} = \frac{\text{Market/Fair value of Investment Strategy's Investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{Number of units outstanding under Investment Strategy /Plan}}$$

- b. NAV for the Investment Strategy and the repurchase prices of the Units will be calculated and announced at the close of each Business Day. The NAV of Direct Plan will be different than the NAV of Regular Plan.
- c. Mutual Funds shall round off NAV up to four decimal places for index funds and all types of debt oriented Investment Strategy. For all equity oriented and balanced fund Investment Strategy, Mutual Funds shall round off NAVs up to two decimal places. However, Mutual Funds can round off the NAVs up to more than two decimal places in case of equity oriented and balanced fund Investment Strategy. In case of any deviation to this rule, respective Investment Strategy offer document will mention the decimals up to which NAV's will be rounded off.
- d. Illustrations for computation of NAV: (Assumption on the day of calculation of NAV)

Market or Fair Value of Investment Strategy's investments= Rs. 10600
Current assets including accrued income = Rs. 250
Current Liabilities and provisions including accrued expenses = Rs. 150
No. of units outstanding in the plan = Rs. 1000
NAV = (10600+250+150)/ 1000 =Rs. 10.70

As required under the Regulations, the asset management Company shall ensure that the repurchase price of an open-ended Investment Strategy shall not be lower than 97% of the Net Asset Value.

- e. In case of Investment Strategy is having IDCW option, computation of NAV will be done after taking into account IDCWs paid, if any, and the distribution tax thereon, if applicable. Therefore, once IDCWs are distributed under the IDCW Option, the NAV of the Units under the IDCW Option would always remain lower than the NAV of the Units issued under the Growth Option.
- f. The first NAV of a new Investment Strategy shall be declared within 5 working days form the allotment.
- g. The NAVs of the Investment Strategy will be calculated and disclosed basis the timelines mentioned above on the website of WSIF viz. <https://www.wealthcompanyamc.in/wsif/> and AMFI's website www.amfiindia.com.

On the valuation day, all the assets and liabilities in foreign currency will be valued in Indian Rupees based on applicable Foreign Exchange rate as defined in the valuation policy. The Trustees/AMC reserves the right to change the source for determining the exchange rate. The reasons for the change in the source for determining the exchange rate will be recorded in writing.

Valuation of the Investment Strategy's assets, calculation of the Investment Strategy's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time and shall be subject to audit on an annual basis.

The NAVs of the Investment Strategy /plans will be calculated by the Mutual Fund on each Business Day and will be made available as per the timelines mentioned in SID.

- h. Computation of NAV & NAV disclosure timeline: Refer to the Investment Strategy Information Document for the methodology of computation of NAV and NAV disclosure timeline.

B. Procedure in case of delay in disclosure of NAV

Delay beyond 10 a.m. of the following business day in case of Fund of Fund Investment Strategy's and 11:00 p.m. on the same day for all other Investment Strategies shall be explained in writing to AMFI.

The Wealth Company Mutual Fund shall report in the quarterly Compliance Test Reports (CTRs) the number of days when WSIF were not able to adhere to the above-mentioned time limit for uploading their NAVs on the AMFI website with reasons thereof and the corrective action taken by the AMC to reduce the number of such occurrences.

In case the NAVs are not available before the commencement of business hours on the following business day due to any reason, a press release shall be issued giving reasons for the delay and explaining when the SIF would be able to publish the NAV.

X. TAX, LEGAL & GENERAL INFORMATION

A. TAXATION ON INVESTING IN SIF

The information on taxation for units issued by the Investment Strategy(s) under Specialized Investment Fund may be related to taxation of Mutual Funds as mentioned below. It is advised that each unit holder should appropriately consult its tax consultant with respect to the specific tax implications arising out of their participation in the Investment Strategy.

26. Tax Benefits/Consequences to the Mutual Fund

The Wealth Company Mutual Fund is registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act).

i. Exemption u/s 10(35):

Under the provisions of Section 10(35) of the Act income received in respect of the units of a mutual fund specified u/s. 10(23D) will be exempt from income tax in the hands of all unit holders. In view of this position, no tax needs to be deducted at source from such distribution by the fund. However, by virtue of the proviso to section 10(35), this exemption does not apply to income arising on "transfer" of units of a mutual fund.

ii. Transactions not regarded as transfers u/s 47:

Section 47 (xviii) provides that any transfer of unit or units by a unit holder held by him in the Consolidating Scheme of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated Scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply provided that the consolidation is of two or more schemes of equity-oriented fund or of two or more schemes of a fund other than equity-oriented fund.

For the purpose of the above, a Consolidating Scheme means the scheme of the mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and Consolidated Scheme means the scheme with which the Consolidating Scheme merges or which is formed as a result of such merger.

Section 47 (xix) provides that any transfer of unit or units by a unit holder held by him in the Consolidating plan of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment to him of unit or units in the Consolidated plan of the mutual fund under the process of consolidation of the plan of that schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply.

For the purpose of above, Consolidating Plan means the plan within a Scheme of the mutual fund which merges under the process of consolidation of the plans within a Scheme of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and Consolidated Plan means the Plan with which the Consolidating Plan merges or which is formed as a result of such merger.

The mutual fund will receive all income without any deduction of tax at source under the provisions of Section 196(iv) of the Act. Classification of a fund as an equity-oriented fund or Liquid fund or Money Market Fund or Infrastructure debt fund for the purposes of the Act.

Equity oriented fund is a fund set up under a scheme of a mutual fund specified under Section 10(23D) and,

- a) the fund invests in the units of another fund which is traded on a recognized stock exchange, —
 - a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and
 - such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognized stock exchange; and
- b) a minimum of 65% of the total proceeds of such funds are invested in equity shares of domestic companies listed on a recognized stock exchange.

Furthermore, as per the proviso to Explanation (a) to section 112A of the Act, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

Money market mutual fund as per Explanation (d) to Section 115T of the Act means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Liquid Fund as per Explanation (e) to section 115T of the Act means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India ('SEBI') as a liquid fund in accordance with the guidelines issued by it in this regard under the Securities and Exchange Board of India Act, 1992 or the regulations made thereunder.

As per clause 1 of Regulation 49L of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, an 'infrastructure debt fund scheme' means a mutual fund scheme which invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles which are created for the purpose of facilitating or promoting investment in infrastructure, and other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

Distribution of income by the Mutual Fund to the unit holders

The Finance Act, 2020, with effect from 1 April 2020, has abolished additional tax on distribution of income by mutual funds and therefore mutual funds shall no longer be required to pay tax on the income distributed. Such distributions will be taxed directly in the hands of the unitholders of the mutual fund at the tax rates applicable to them. Further, the taxpayer can claim a deduction of interest expenditure only under section 57 of the ITA which shall be restricted to 20% of the gross dividend income

Securities Transaction Tax (STT)

As per Chapter VII of the Finance (No. 2) Act, 2004 pertaining to STT, STT shall be payable, wherever the Fund is responsible for collecting the STT from every person who sells the Units to it at the rate mentioned above. The STT collected by the Fund during any month will have to be deposited with the Central Government by the seventh day of the month immediately following the said month.

Stamp Duty

March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on applicable mutual fund transactions, with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including IDCW reinvestment) to the unitholders would be reduced to that extent.

Tax Benefits / Consequences to Unit holders

i. Income-tax

All Unit holders Income from Units:

Surplus Income Distributed against Capital Withdrawal option by mutual funds will be taxable in the hands of the unitholders under section 56 of the ITA under the head 'Income from Other Sources' at the applicable rates. Further, the taxpayer can claim a deduction of interest expenditure only under IDCW option of the ITA which shall be restricted to 20% of the gross dividend income

Capital Gains

If the units are not held as stock in trade, the tax rates applicable to the unit holder will depend on whether the gain on sale of units is classified as a short-term capital gain or a long-term capital gain. As per section 2(29A) read with section 2(42A) of the Act, units of a mutual fund held as capital asset is treated as long-term capital asset if it is held for a period of more than 12 months (in case of an equity-oriented mutual fund) and 36 months (in case of other than equity-oriented mutual funds) preceding the date of transfer; in all other cases, they would be treated as short-term capital assets.

Notes:

1. The following amounts would be deductible from the full value of consideration, to arrive at the amount of capital gains:
 - Cost of acquisition of Units (as adjusted by Cost Inflation Index notified by the Central Government in case of long-term capital gain); and
 - Expenditure incurred wholly and exclusively in connection with such transfer (excluding any sum paid on account of STT).

2. (In case of resident individuals and HUFs, where taxable income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the flat rate of income-tax (plus surcharge and health and education cess).
3. Finance Bill 2023 made amendment in LTCG for Debt oriented scheme and scrapped indexation benefit for all debt mutual funds. From 1st April 2023 onwards new acquisition of Debt mutual fund to be taxable at applicable slab rate for LTCG. this provision is applicable to those Debt funds, where not more than 35% of its total proceeds is invested in the equity shares of domestic companies.

Foreign Institutional Investors

Any securities held by Foreign Institutional Investors in accordance with SEBI Regulations, shall be covered within the definition of the term 'Capital Asset' under section 2(14) of the Act.

The Securities Transaction Tax (STT) levied on sale of units of equity oriented mutual fund shall not be allowed as a deduction in computing the income chargeable under the head "Capital Gains". (Seventh proviso to section 48 of the Income Tax Act, 1961). In other words, the STT paid shall neither form part of the cost in case of purchase nor be allowed as deduction as expense of transfer in case of sale of such units.

Tax Deduction at Source (Withholding Tax)

Resident Investors

The Finance Act, 2020, with effect from 1 April 2020, has inserted section 194K that provides that mutual funds are required to withhold tax on income in respect of units at the rate of 10% on income (in excess of INR10,000) paid to a resident. It has been clarified that the provisions of section 194K of the Act shall apply only in respect of Surplus Income Distributed against Capital Withdrawal distributed by the mutual fund and shall not apply in respect of income which is in the nature of capital gains on units of mutual fund.

Non-Resident Investors

The Finance Act, 2020, with effect from 1 April 2020, has amended the provisions of section 196A of the Act such that mutual funds would be required to withhold tax on income in respect of units at the rate of 20% (plus applicable surcharge and health and education cess) on any income paid to a non-resident.

If the investor has obtained a lower withholding tax certificate from the authorities, tax will be deducted at such lower rate. Where tax is deductible under the Act, and the deductee has not furnished a Permanent Account Number (PAN) to the deductor, tax should be deducted at source at the highest of the following rates:

- At the rate specified in the Act
- At the rates in force
- At the rate of 20%

Foreign Portfolio Investors (FPI)

As an exception, no tax has to be deducted on redemption/sale proceeds payable to FPIs [Section 196D(2)].

Others

1. Gift-tax

The Gift-tax Act, 1958 has ceased to apply to gifts made on or after October 1, 1998. Gifts of Units of the mutual fund would therefore, be exempt from gift-tax.

Gift of Units

As per the provisions of section 56(2)(x) of the Act, certain specified property transferred, without consideration / adequate consideration, exceeding specified limits (currently Rs. 50,000), are taxable in the hands of the recipient individual / HUF (subject to certain exceptions).

The term "property" includes shares and securities. Units of a mutual fund could fall within the purview of the term "securities". As per the Act, "property" would refer to capital assets only.

Further the above provision of section 56(2)(x) shall not apply to any units/ shares received by the donee:

- 1) From any relative; or
- 2) On the occasion of the marriage of the individual; or
- 3) Under a will or by way of inheritance; or
- 4) In contemplation of death of the payer or donor, as the case may be; or
- 5) From any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or
- 6) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or
- 7) From any trust or institution registered under section 12AA of the Act.
- 8) Transaction not regarded as transfer under clause (i), (vi), (via), (viaa), (vib), (vic), (vica), (vicb), (vid), (vii) of section 47.
- 9) from an individual by a trust created or established solely for the benefit of relative of the individual.

The term relative shall mean:

A. In the case of an Individual –

- (i) The spouse of the individual
- (ii) The brother or sister of the individual
- (iii) The brother or sister of the spouse of the individual

- (iv) The brother or sister of either of the parents of the individual
- (v) Any lineal ascendant or descendant of the individual
- (vi) Any lineal ascendant or descendant of the spouse of the individual
- (vii) The spouse of the person referred to in clauses (ii) to (vi), and B] In case of a HUF, any member thereof.

B. In case of a HUF, any member thereof.

Clubbing of income

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act, is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

Deduction under section 80C

As per section 80C, and subject to the provisions, an individual /HUF is entitled to a deduction from Gross Total Income upto Rs.1.50 lakhs (along with other prescribed investments) for amounts invested in any units of a mutual fund referred to in section 10(23D) of the Act, under any plan formulated in accordance with such scheme as the Central Government may notify.

Deduction under section 80CCG

As per Section 80CCG, a resident individual who acquires listed equity shares or listed units of equity oriented mutual fund in accordance with the Rajiv Gandhi Equity Savings Scheme ('RGESS') (notified on November 23, 2012 and thereafter, vide Notification no. 94/2013 F. No. 142/35/2012 - TPL dated December 18, 2013 notified RGESS, 2013), is entitled to a deduction of 50% of the amount invested from his total income to the extent the deduction does not exceed Rs. 25,000. The deduction under Section 80CCG is over and above the deduction under Section 80C.

The deduction shall be available for three consecutive financial years beginning with the Initial Year as defined in RGESS. The deduction shall be subject to following conditions:

- The gross total income of the investor for the relevant year should not exceed Rs.12 lacs (for investments made from April 1, 2014);
- The investor is a new retail investor as specified in RGESS;
- The investment is made in such listed equity shares or listed units of equity oriented Mutual Fund as specified in RGESS;
- The investment is locked-in for a 3-year period in accordance with RGESS;
- and such other conditions as may be prescribed

If an investor, in a subsequent year fails to comply with any of the above conditions, the taxability would be as provided under RGESS.

The deduction under section 80CCG shall not be available from 1 April 2018 [i.e. Assessment year ('AY') 2018-19]. The investors who had claimed deduction for AY 2017-18 or prior years, will continue to be entitled to deduction till assessment year commencing on 1 April 2019 (i.e. AY 2019-20), if they are otherwise eligible. Investors may note that, eligibility for deduction under section 80CCG of the Act shall be subject to compliance with various provisions of the scheme as notified by the Central Government and other applicable tax laws.

ii. Wealth-tax

Wealth Tax Act, 1957 has been abolished w.e.f. FY 2015-16 vide Finance Act 2015.

If the units are held by an investor as stock-in-trade of a business, the said income will be taxed at the rates at which the normal income of that investor is taxed. The rates applicable to different investors are discussed at length in Note 1.

OTHER RELEVANT PROVISIONS

a) Eligible Foreign Investors

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Foreign Portfolio Investors) Regulations, 2014 wherein it merged Foreign Institutional Investors (FIIs), sub accounts and Qualified Foreign Investors (QFIs) into a single category, referred to as Foreign Portfolio Investors (FPI), with the objective of rationalizing investments made by FIIs and QFIs. The term FPI has been defined to refer to a person who satisfies the eligibility criteria prescribed under FPI Regulations and has been registered thereunder.

FPIs may function as investors or fund manager. FPIs can invest inter alia in units of mutual funds. Furthermore, SEBI has specifically permitted investments made by FPIs in bonds issued by infrastructure finance companies and debt funds as well as bonds, including rupee-denominated credit enhanced bonds.

Note: As per Notification No. 9/2014 dated 22 January 2014, the Central Government has specified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as 'Foreign Institutional Investor' for the purposes of clause (a) of the Explanation to section 115AD of the Act.

b) Minimum Alternate Tax (MAT) (Section 115JB)

Section 115JB of the Act provides that a Company is subject to provisions of Minimum Alternative Tax (MAT). Where the tax payable as per the regular provisions of the Act is less than 15% of the book profits computed under the said provisions, tax shall be payable at the rate of 15% (of the book profit) plus applicable surcharge and health and education cess. Income by way of long-term capital gain of a Company shall be taken into account in computing the book profit and income- tax payable under Section 115JB.

However, in case of foreign companies, any amount of income accruing/ arising and the corresponding expenditure incurred relating to capital gains arising on transactions in securities shall not be taken into account in computing the book profit and income-tax payable under Section 115JB. The provisions of MAT will not apply to a foreign Company if:

1. It is a resident of a country with which India has a DTAA and the Company does not have a permanent establishment in India in accordance with the provisions of such DTAA; or
2. it is a resident of a country with which India does not have a DTAA and the foreign Company is not required to register under any law applicable to companies.

As per the section 115JAA of the Act, a tax credit (being the difference of taxes paid under MAT and the amount of taxes payable by the tax payer under the regular provisions of the Act) is allowed to be carried forward for ten years immediately succeeding the assessment year in which tax credit becomes allowable. The tax credit can be set-off in a year when the tax becomes payable on the total income in accordance with the regular provisions of the Act and not under MAT.

c) Exemption from Capital Gains

As per the provisions of Section 54EE, applicable from the assessment year 2017-18, if an assessee has transferred a long-term capital asset and has invested the whole (or any part) of capital gains in long term- specified assets (to be notified by the Central Government to finance start-ups). Such investments can be made at any time within 6 months from the date of transfer of original asset. The amount of investment (made on or after April 01, 2016) by an assessee in long term specified assets, out of capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets transferred and in the subsequent financial year should not exceed Rs. 50 lakh. The exemption shall be revoked if the long term specified assets is transferred (not even loan /advance is taken on security of such assets) within 5 years from the date of acquisition.

As per the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains arising on transfer of a long-term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house in India. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

d) Taxability of non-resident investors

In case of non-resident unit holder who is a resident of a country with which India has signed a Double Taxation Avoidance Agreement ("DTAA" or "tax treaty") (which is in force) income tax is payable at the rates provided in the Act, as discussed above, or the rates provided in such tax treaty, if any, whichever is more beneficial to such non-resident unit holder.

For non-residents claiming such tax treaty benefits, the Finance Act 2012 mandates the obtaining from the home country tax authority of a tax residency certificate ('TRC') in a format to be prescribed.

Section 90(5) of the Act (introduced by the Finance Act, 2013) provides that an assessee to whom a DTAA applies shall provide such other documents and information, as may be prescribed. Further, a notification substituting Rule 21AB of the Income-tax Rules, 1962 (Rules) has been issued prescribing the format of information to be provided under section 90(5) of the Act, i.e. in Form No 10F. Where the required information is not explicitly mentioned in the TRC, the assessee shall be required to furnish a self-declaration in Form No 10F and keep and maintain such documents as are necessary to substantiate the information mentioned in Form 10F.

e) Dividend Stripping

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the mutual fund for the purposes of entitlement of the Unit holders to receive income or additional units without any consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

f) Bonus Stripping

Under the provisions of Section 94(8) of the Act, where any person purchases units ('original units') within a period of 3 months prior to the record date, who is allotted additional units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

Capital Gains Tax for Foreign Institutional Investors / Foreign Portfolio Investors

Any securities held by Foreign Institutional Investors in accordance with SEBI Regulations, shall be covered within the definition of the term 'Capital Asset' under section 2(14) of the Act.

1. LTCG, arising on sale of debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by Offshore Funds referred to in section 115AB), held for a period of more than 36 months for units transferred before 23 July 2024, are taxable at the rate of 10% (plus applicable surcharge and Health and Education cess) under Section 115AD of the Act whereas for units transferred on or after 23 July 2024, the holding period would be more than 24 months and same would be taxed at 12.5% (plus applicable surcharge and Health and Education cess). Such gains would be calculated without considering benefit of indexation for the COA.
2. LTCG (over and above Rs. 1.25 lakh) arising on sale of units of equity-oriented funds and subject to conditions relating to payment of STT, are taxable at 10% (plus applicable surcharge and Health and Education cess) under section 112A for units transferred before 23 July 2024 whereas for units transferred on or after 23 July 2024, same would be taxed at 12.5% (plus applicable surcharge and Health and Education cess).

3. Short-term capital gain from the sale of equity-oriented units, subject to STT would be liable to tax at 15% (plus applicable surcharge and Health and Education cess) in accordance with Section 111A of the Act for units transferred before 23 July 2024 whereas for units transferred on or after 23 July 2024, same would be taxed at 20% (plus applicable surcharge and Health and Education cess).
4. Short-term capital gains arising on sale of units, in any other case, which are not subject to STT, are taxable at 30% (plus applicable surcharge and Health and Education cess) under section 115AD of the Act.

Capital Gains Tax for Offshore Funds

1. LTCG arising from transfer of the units of mutual fund purchased by the Offshore Funds (Overseas Financial Organizations) in foreign currency would be taxed at the rate of 10% (plus applicable surcharge and Health and Education cess) under section 115AB of the Act for units transferred before 23 July 2024 whereas for units transferred on or after 23 July 2024, same would be taxed at 12.5% (plus applicable surcharge and Health and Education cess). Such gains would be calculated without considering benefit of indexation on COA.
2. Short-term capital gains arising from transfer of the units by the Offshore Funds are taxable as part of total income at normal rates.

Other Note:

Deductions under Chapter VI-A of the Act cannot be claimed against the short-term capital gains and long-term capital gains, covered under section 111A or section 112 or section 112A of the Act.

1. The following amounts would be deductible, from the full value of consideration, to arrive at the amount of capital gains:
 - COA of units as adjusted by Cost Inflation Index notified by the Central Government, where applicable (indexation benefit not available for transfers taking place on or after 23 July 2024), and
 - Expenditure incurred wholly and exclusively in connection with the transfer of units.
 - Section 55 provides that for COA of an asset acquired before 01/04/2001, the assessee has an option of either taking the actual cost or FMV of said asset.
 - For Capital gains on Specified Mutual Funds:
As per section 50AA of the Act, gains from transfer or redemption or maturity of unit of a Specified mutual fund or a Market Linked Debenture acquired on or after 1 April 2023, will be taxed as deemed short-term capital gains at applicable rates. Effective 23 July 2024, it has been proposed to tax capital gains arising from the transfer / redemption / maturity of an unlisted bond or an unlisted debenture also as short-term capital gains irrespective of the holding period of such asset.

Specified mutual fund means a Mutual Fund, where not more than thirty five percent of its total proceeds is invested in the equity shares of domestic companies. Provided that the percentage of equity shareholding held in respect of the Specified mutual fund shall be computed with reference to the annual average of the daily closing figures.

Tax Rates:

A. TAXATION

Tax implications on distributed income (hereinafter referred to as either 'Income from units of Mutual Funds' or 'capital gains') by Mutual Funds:

For Equity-linked investment strategy:

Taxation Details	Resident Investors	Registered Mutual Fund
(I) Income from Unit of Mutual Fund (IDCW)		
Tax on Distributed Income under Dividend Option	Resident: Income tax rate applicable to the Unit holders as per their income slabs Non-Resident: Income tax rate applicable to the Unit holders as per their income slabs	Nil
Withholding Tax rate	Resident: 10% (if income from units of Mutual Fund exceeds INR 10,000 in a financial year) Non-Resident: 20% ² + applicable surcharge + 4% Cess ³	Nil
(II) Equity Oriented Mutual Funds		
Long Term (as units are procured after July 23, 2024) (period of holding more than 12 months)	Resident: 12.5% without indexation ⁷ + applicable Surcharge + 4% Cess ³ Non-Resident: 12.5% without indexation and foreign currency fluctuation benefit + applicable surcharge + 4% Cess ³	

Short Term (period of holding less than or equal to 12 months for listed units and 24 months for unlisted units)	Resident: 20% + applicable surcharge + 4% Cess ³ Non-Resident: 20% + applicable surcharge + 4% Cess ³	
TDS on Capital Gain	Resident: Nil Non-Resident: 20% + applicable surcharge + 4% Cess ⁱ	Nil
(III) Other than Equity Oriented Funds (including specified mutual funds⁸):		
Tax Rates	Resident: <u>Individual/ HUF</u> Income tax rate applicable to the Unit holders as per their income slabs + applicable Surcharge + 4% Cess ³ <u>Domestic Company:</u> 30% + Surcharge as applicable + 4% Cess ³ 25% ⁴ + Surcharge as applicable + 4% Cess ³ 22% ⁵ + 10% Surcharge + 4% Cess ³ 15% ⁵ + 10% Surcharge ⁵ + 4% Cess ³ Non-Resident: Income tax rate applicable to the Unit holders as per their income slabs	Nil
TDS on Capital Gain	Resident: Nil Non-Resident: 20% + applicable surcharge + 4% Cess ³	Nil
(IV) Other than Equity Oriented Funds (other than specified mutual funds):		
Capital Gains		
Long Term (as units are procured after July 23, 2024) (period of holding more than 12 months)	Resident: 12.5% without indexation ⁷ + applicable Surcharge + 4% Cess ³ Non-Resident: 12.5% without indexation and foreign currency fluctuation benefit + applicable surcharge + 4% Cess ³	Nil
Short Term (period of holding less than or equal to 12 months for listed units and 24 months for unlisted units)	Resident: <u>Individual/ HUF</u> Income tax rate applicable to the Unit holders as per their income slabs + applicable Surcharge + 4% Cess ³ <u>Domestic Company:</u> 30% + Surcharge as applicable + 4% Cess ³ 25% ⁴ + Surcharge as applicable + 4% Cess ³ 22% ⁵ + 10% Surcharge + 4% Cess ³ 15% ⁵ + 10% Surcharge ⁵ + 4% Cess ³ Non-Resident: Income tax rate applicable to the Unit holders as per their income slabs.	Nil
TDS on Capital Gain	Resident: Nil Non-Resident: 20% + applicable surcharge + 4% Cess ³	Nil

Notes:

- 1 Equity Oriented Funds will also attract Securities Transaction Tax at applicable rates.
- 2 Section 196A of the Act provides that a person responsible for paying to a non-resident (other than FPI) any income in respect of units of mutual fund shall withhold taxes at the rate of 20% (plus applicable surcharge and cess) or rate provided in the relevant DTAA, whichever is lower, provided the payee furnishes a tax residency certificate and such other information and documents as may be prescribed to claim treaty benefit.

As per the provisions of section 196D of the Act which is specifically applicable in case of FPI/FII, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of securities referred to in section 115AD(1)(a) credited/paid to FII shall apply. The proviso to section 196D(1) of the Act grants relevant tax treaty benefits at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required. As per section 196D(2) of the Act, no TDS shall be made in respect of income by way of

capital gain arising from the transfer of securities referred to in section 115AD of the Act.

- 3 Health and education Cess shall be applicable at 4% on aggregate of base tax and surcharge.
- 4 In case of domestic company, the rate of income-tax shall be 25% if its total turnover or gross receipts in the financial year 2023-24 does not exceed Rs. 400 crores.
- 5 In case of a domestic company whose income is chargeable to tax under section 115BAB or section 115BAA of the Income-Tax Act, 1961, tax rate @15% or @ 22% shall be applicable respectively, subject to conditions mentioned therein. The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.
- 6 Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of non-resident investors only (other than FPI). However, as per section 196A of the Act the withholding tax of 20% (plus applicable surcharge and cess) is applicable on any income in respect of units of Mutual Fund in case of non-residents.
- 7 Section 112A provides that long term capital gains arising from transfer of a long-term capital asset being a unit of an equity-oriented fund shall be taxed at 12.5% (without indexation and foreign currency fluctuation benefit) of such capital gains exceeding one lakh twenty five thousand rupees. The concessional rate of 12.5% shall be available only if STT has been paid on transfer in case of units of equity-oriented mutual funds.
- 8 Specified Mutual Fund means a Mutual Fund by whatever name called, where not more than thirty five per cent of its total proceeds is invested in the equity shares of domestic companies.
As per the Finance (No. 2) Act 2024 (applicable from financial year 2025-26) the “specified mutual fund” means:
 - a. a mutual fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;
 - b. a fund which invests sixty five percent or more of its proceeds in units of fund referred to in sub-clause (a)

For Debt Investment Strategy:

Taxation Details	Resident Investors	Registered Fund	Mutual Fund
Dividend / Income from Unit of Mutual Fund			
Withholding Tax Rate	Resident: 10% (if income from units of Mutual Fund exceeds INR 10,000 in a financial year) Non-Resident: 20% ² + applicable surcharge + 4% Cess ³	Nil	
Tax Rates	Resident: <u>Individual/ HUF</u> Income tax rate applicable to the Unit holders as per their income slabs + applicable Surcharge + 4% Cess ³ <u>Domestic Company:</u> 30% + Surcharge as applicable + 4% Cess ³ 25% ⁴ + Surcharge as applicable + 4% Cess ³ 22% ⁵ + 10% Surcharge + 4% Cess ³ 15% ⁵ + 10% Surcharge ⁵ + 4% Cess ³ Non-Resident: 20% ² + applicable surcharge + 4% Cess ³	Nil	
Capital Gains^{2 6}			
Long Term capital gain on sale of listed and unlisted units (period of holding more than 12 months)	Resident: NA Non-Resident: NA	Nil	
Deemed Short Term capital gain)	Resident: <u>Individual/ HUF</u> Income tax rate applicable to the Unit holders as per their income slabs + applicable Surcharge + 4% Cess ³ <u>Domestic Company:</u> 30% + Surcharge as applicable + 4% Cess ³ 25% ⁴ + Surcharge as applicable + 4% Cess ³ 22% ⁵ + 10% Surcharge + 4% Cess ³ 15% ⁵ + 10% Surcharge ⁵ + 4% Cess ³ Non-Resident: Non-Resident (Other Than Foreign Company) – Income tax rate applicable to the Unit holder as per their Income slabs Foreign company 35% + Surcharge as applicable + 4% cess	Nil	

Notes:

As per section 50AA of the Act, "specified mutual fund" means (a) a mutual fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments; or (b) a fund which invests sixty-five per cent or more of its total proceeds in units of a fund referred to in sub-clause (a). In case of Specified mutual fund schemes, all assets are considered as Short-Term Capital Gains irrespective of period for which it is held and applicable slab rate shall apply

Provided further that for the purposes of this clause, "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.'. The above definition of "specified mutual fund" will be effective from 01 April 2025.

- 2 Section 196A of the Act provides that a person responsible for paying to a non-resident (other than FPI) any income in respect of units of mutual fund shall withhold taxes at the rate of 20% (plus applicable surcharge and cess) or rate provided in the relevant DTAA, whichever is lower, provided the payee furnishes a tax residency certificate and such other information and documents as may be prescribed to claim treaty benefit.

As per the provisions of section 196D of the Act which is specifically applicable in case of FPI/FII, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of securities referred to in section 115AD(1)(a) credited/paid to FII shall apply. The proviso to section 196D(1) of the Act grants relevant tax treaty benefits at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required. As per section 196D(2) of the Act, no TDS shall be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.

- 3 Health and education Cess shall be applicable at 4% on aggregate of base tax and surcharge.
- 4 In case of domestic company, the rate of income-tax shall be 25% if its total turnover or gross receipts in the financial year 2023-24 does not exceed Rs. 400 crores.
- 5 In case of a domestic company whose income is chargeable to tax under section 115BAB or section 115BAA of the Income-Tax Act, 1961, tax rate @15% or @ 22% shall be applicable respectively, subject to conditions mentioned therein. The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.
- 6 Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of non-resident investors only (other than FPI). However, as per section 196A of the Act the withholding tax of 20% (plus applicable surcharge and cess) is applicable on any income in respect of units of Mutual Fund in case of non-residents.

- 7 Section 112A provides that long-term capital gains arising from transfer of a long term capital asset being a unit of an equity oriented fund shall be taxed at 12.5% (without indexation and foreign currency fluctuation benefit) of such capital gains exceeding one lakh twenty five thousand rupees. The concessional rate of 12.5% shall be available only if STT has been paid on transfer in case of units of equity-oriented mutual funds.

The information given above is as per the prevailing tax laws and might be subject to change. Refer more information in SAI. In view of the individual nature of the tax consequences for each individual/non-individual/NRIs, each investor is advised to consult his/her own professional tax advisor.

AMC has the right to higher TDS on conservative basis and in line with the Income Tax provisions (including for IDCW), if PAN is not provided or PAN found to be Invalid as per the Income Tax database.

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**SLAB WISE TAX RATES:
Old Tax Regime**

Where total income for a tax year (April to March) is less than or equal to Rs. 250,000* (the basic exemption limit/maximum amount not chargeable to tax)	Nil
Where such total income is more than Rs 250,000* but is less than or equal to Rs. 500,000	5% of the amount by which the total income exceeds Rs 250,000*
Where such total income is more than Rs 500,000 but is less than or equal to Rs 1,000,000	Rs 12,500 plus 20% of the amount by which the total income exceeds Rs 500,000
Where such total income is more than Rs 1,000,000	Rs 112,500 plus 30% of the amount by which the total income exceeds Rs 1,000,000

*The basic exemption limit in case of a resident senior citizen (with age of sixty years or more but less than eighty years) is Rs 300,000, in case of resident in India, who is of the age of eighty years or more at any time during the previous year is Rs 500,000. Further, a tax rebate up to Rs 12,500 per annum would be available for resident individuals with total income of up to Rs 500,000 per annum.

Under the alternate new regime², the slab rates for individuals and Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons are as follows:

Where total income for a tax year (April to March) is less than or equal to Rs 300,000 (the basic exemption limit)	Nil
Where such total income is more than Rs 300,000 but is less than or equal to Rs 700,000	5% of the amount by which the total income exceeds Rs 300,000
Where such total income is more than Rs 700,000 but is less than or equal to Rs 1,000,000	Rs 20,000 plus 10% of the amount by which the total income exceeds Rs 700,000
Where such total income is more than Rs 1,000,000 but is less than or equal to Rs 1,200,000	Rs 50,000 plus 15% of the amount by which the total income exceeds Rs 1,000,000
Where such total income is more than Rs 1,200,000 but is less than or equal to Rs 1,500,000	Rs 80,000 plus 20% of the amount by which the total income exceeds Rs 1,200,000
Where such total income is more than Rs 1,500,000	Rs 140,000 plus 30% of the amount by which the total income exceeds Rs 1,500,000

Section 115BAC. For adopting the new tax regime, most of the deductions/exemptions such as section 80C, 80D, etc. are to be foregone. The aforesaid regime is the default tax regime.

Accordingly, Tax payers will be required to specifically opt for old tax regime. The option under new regime once exercised can be changed in subsequent years (not applicable for business income).

From FY 2023-24, the new tax regime is the default tax regime. However, there is an option available to opt out of the default new tax regime and that option shall be exercised at the time of filing of return of income.

The option for opting out of the default new tax regime shall be exercised for every previous year where the tax payer has no business income, and in other cases the option once exercised for a previous year shall be valid for that previous year and all subsequent years. Certain exemptions/ deductions shall not be available while computing the taxable income under the default new tax regime. Certain other conditions are also applicable.

Rebate of lower of actual tax liability or Rs. 25,000 (against rebate of Rs. 12,500 under the old tax regime) in case of resident individuals having total income not exceeding Rs. 7,00,000 (against total income of Rs. 5,00,000 under the old tax regime). Further, marginal relief is available, to the extent the income-tax payable on total income exceeds the total income above INR 7 lakhs.

Exemption of capital gain from income tax All Unit holders

Under the provisions of Section 94(7) of the Act, loss arising on sale of Units, which are bought within 3 months prior to the record date (i.e. the date fixed by the mutual fund for the purposes of entitlement of the Unit holders to receive income or additional units without any

consideration, as the case may be) and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempt income received or receivable on such Units.

Under the provisions of Section 94(8) of the Act, where any person purchases units ('original units') within a period of 3 months prior to the record date, who is allotted additional units without any payment and sells all or any of the original units within a period of 9 months after the record date, while continuing to hold all or any of the additional units, then any loss arising on sale of the original units shall be ignored for the purpose of computing income chargeable to tax. The amount of loss so ignored shall be deemed to be the cost of purchase of the additional units as are held on the date of such sale.

General Anti Avoidance Rule ('GAAR') is an anti-tax avoidance Rule which is applicable w.e.f. April 1, 2017. The objective of GAAR is to deny tax benefits to an arrangement which has been entered into with the main purpose of obtaining tax benefits

and which lacks commercial substance or creates rights and obligations which are not at arm's length principle or results in misuse of tax law provisions or is carried out by means or in a manner which are not ordinarily employed for bona fide purposes. The over-arching principle of GAAR provisions is "substance over form".

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.

Tax Consequences upon Merger /Consolidation of Schemes / Plan All Unit holders

Transfer of units, being held as 'Capital assets' as defined under the Income-tax Act, 1961, upon consolidation of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund or upon consolidation of plans within a mutual fund scheme in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

The cost of acquisition of units in the consolidated plan / scheme shall be the cost of units in consolidating plan / scheme of mutual fund and period of holding of the units of consolidated plan

/ scheme shall include the period of holding for which the units in consolidating plan / scheme of mutual fund were held.

Finance Act, 2020 has rationalized capital gains taxability in relation to mutual fund portfolio segregation as per SEBI regulations.

In such a case, the period of holding of segregated units shall be counted from date of holding of original units and the cost of acquisition of segregated units shall be apportioned between original units and segregated units based on net asset value prevailing immediately before segregation.

Clubbing of Income

Subject to the provisions of section 64(1A) of the Act, taxable income accruing or arising in the case of a minor child (not being a minor child suffering from disability specified in section 80U) shall be included in the income of the parent whose total income is greater or where the marriage of the parents does not subsist, in the income of that parent who maintains the minor child. An exemption under section 10(32) of the Act is granted to the parent in whose hand the income is included upto Rs. 1,500/- per minor child. When the child attains majority, the tax liability will be on the child.

Gift of Units

Section 56(2)(x) of the Act provides that any receipt of sum of money and/or property without consideration or for inadequate consideration (exceeding INR 50,000) by all assesses would be taxable as income from other sources. The term 'property' includes shares and securities. Units of a mutual fund could fall within the purview of the term "securities". As per the Act, "property" would refer to capital assets only.

Deduction under section 80C

As per section 80C, an individual/ HUF is entitled to a deduction from Gross Total Income upto Rs. 1.50 lac (along with other prescribed investments) for amounts invested in any units of a mutual fund referred to in section 10(23D) of the Act, under any plan formulated in accordance with such scheme as the Central Government may notify. However, for adopting new tax regime, the deductions/exemptions under section 80 C, 80 D are to be foregone.

Other Benefits

Investments in Units of the mutual fund will rank as an eligible form of investment under Section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962, for Religious and Charitable Trusts.

Tax Treaty Benefits

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the non-resident investor is a tax resident, whichever is more beneficial to the non-resident investor. As per the provisions of the Act, submission of tax residency certificate ("TRC") along with Form No. 10F will be necessary for granting Tax Treaty benefits to non-residents. A taxpayer claiming Tax Treaty benefit shall furnish a TRC of his residence obtained by him from the Government of that country or specified territory. Further, in addition to the TRC, the non-resident shall also provide such other documents and information subsequently, as may be prescribed by the Indian Tax Authorities. Further as per section 195 of the Act, an application may be required to be made to the tax authorities to determine the withholding tax rate, if transfer/redemption/buyback of Units are covered within the list of specified transactions, such list being yet not specified. Further, the provisions of Section 195 and/or Section 197 of the Act would need to be complied and also documents will have to be furnished by the non-resident investor in this regard.

As per section 196A of the Act, the withholding tax would be lower of 20% (plus applicable surcharge and cess) or the rate provided under the relevant tax treaty, subject to eligibility and compliance with applicable conditions.

B. LEGAL INFORMATION

(i) Prevention of Money Laundering Act, 2002 requirements ("PMLA Requirements")

In terms of the PMLA Requirements, all intermediaries, including mutual funds, have to formulate and implement a client due

diligence process which includes client acceptance process, client identification process, risk management and monitoring of transactions. KYC process is usually performed to verify and maintain the record of identity and address(es) of investors.

The investor(s) /unitholder(s) including guardian(s)/ legal guardian(s) where investor / unitholder is a minor, must ensure that the amount invested in the Investment Strategy is derived only through legitimate sources and does not involve and is not

designed for the purpose of any contravention or evasion of the provisions of all the applicable laws, rules and regulations, directions issued by the appropriate authority in force from time to time including the Prevention of Money Laundering Act, 2002 the Income Tax Act, 1961, or the Prevention of Corruption Act, 1988, etc. Pursuant to the above and SEBI in terms of master circular dated June 06, 2024, the AMC may seek information or obtain and retain documentation used to establish customers identity. It may re-verify identity and obtain any missing or additional information for this purpose. The AMC /Trustee reserve the right to take all steps and actions, including recording investor(s) /unitholder(s) telephonic calls, and /or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds etc. in accordance with the applicable laws, from the investor(s) /unitholder(s), as may be required, to ensure the appropriate identification /verification /re-verification of the investor(s) /unitholder(s), the source of funds etc. under its KYC Policy. The AMC, under powers delegated by the Trustee, shall have absolute discretion to reject any application, prevent further transactions by a unit holder, delay processing redemption as per applicable laws or regulations if:

- after due diligence, the investor/ unit holder /a person making the payment on behalf of the investor does not fulfill the requirements of the KYC as determined by the AMC or the AMC believes that the transaction is suspicious in nature as regards money laundering.
- AMC reserves the right to reject any application and affect a mandatory redemption of units allotted in case of any non-compliance of PMLA and KYC requirements. If the payment for purchase of units are made by a third party (e.g. a power of attorney holder, a financing agency, a relative, etc.), the investor/ applicant may be required to give such details of such transactions so as to satisfy the AMC of the source and/or consideration underlying the transaction.

(ii) **Nomination Facility**

Pursuant to Regulation 29A of the Mutual Fund Regulations, AMC provides an option to unitholder to nominate (in the manner prescribed under the Mutual fund Regulations), a per person(s) in whom the units held by him shall vest in the event of his/her death. Where the units are held by more than one person jointly, the joint unit holders may together nominate a person(s) in whom all the rights in the units shall vest in the event of death of all the joint unit holder. By provision of this facility the AMC is not in any way attempting to grant any rights other than those granted by law to the nominee(s).

A nomination in respect of the units does not create an interest in the property after the death of the unit holder. The nominee(s) shall receive the units only as an agent and trustee for the legal heirs or legatees as the case may be. It is hereby clarified that the nominees(s) under the nomination facility provided herein shall not necessarily acquire any title or beneficial interest in the property by virtue of this nomination.

All new investors/unitholders shall continue to be required to mandatorily provide the 'Choice of Nomination' for demat accounts/ MF Folios (except for jointly held Demat Accounts and Mutual fund Folios)

It is however clarified that the Mutual Fund/AMC will not be bound to transmit the Units in favour of the nominee if it becomes aware of any dispute in relation to the nominee's entitlement to the Units. In the event the Mutual fund/AMC/Trustee incurs or suffers any claim, demand, liabilities, including claims and demands in respect of any prospective or retrospective tax liability, proceedings or actions are filed or initiated against any of them in respect of or in connection with the nomination, the Mutual fund/AMC/Trust shall be entitled to be indemnified absolutely for any loss, expenses, costs and charges that any of them may suffer or incur.

a) Who can nominate/be nominee?

• **Who can nominate:**

Nomination can be made only by individuals on their own behalf, either singly or jointly.

• **Who cannot nominate:**

A power of attorney holder and a guardian investing in units of the SIF on behalf of a minor. Non individual Unitholder(s)/investors including society, trust (other than a religious or charitable trust), body corporate, Company, AOP, BOI, bank, FPI, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.

• **Who can be nominated:**

- i. resident Indian individuals
- ii. minors through parent/legal guardian
- iii. non-resident Indian individuals, subject to the exchange controls in force from time to time.
- iv. religious and charitable trusts; and
- v. central government, state government, a local authority or any person designated by virtue of his office or a religious or charitable trust. In case of multiple nominees, the percentage of allocation/ share in favour of each of the nominees should be indicated clearly against the respective names and such allocation/ share should be in whole numbers without any decimals, making a total of 100% (One Hundred per cent). In case the percentage of allocation / share for each of the nominees is not clearly indicated in the nomination form, the SIF/the AMC, by invoking default option, shall settle the claim equally amongst all the nominees.

In case a minor is nominated, the name and address of the guardian of the minor nominee shall be provided by the unit holder(s).

• **Who cannot be nominated?**

A trust (other than a religious or charitable trust), society, Company/ body corporate, partnership firm, Hindu undivided family or a Power of Attorney holder cannot be nominated.

b) How to Nominate?

Investors may make the nomination

- (i) at the time of initial investment for purchase units in a Investment Strategy by filling up the form / columns for nomination provided in the application form or
- (ii) subsequently, using a prescribed Nomination Form, available at all ISCs of the SIF as well as on the [website https://www.wealthcompanyamc.in/wsif/](https://www.wealthcompanyamc.in/wsif/). If the units are held jointly, all joint unit holders will be required to sign the nomination form. The unitholders/ investors have an option to submit either the nomination form or the declaration form for opting out of nomination in physical or online.
- (iii) Nomination by a Unitholder shall be applicable for all the investments in all Investment Strategy held under a particular folio i.e. if nomination is registered at the Folio level, then it will be applicable for all investments in all Investment Strategy under the said Folio.
- (iv) Unit holder can nominate (in the manner prescribed under the SEBI Regulations), maximum up to 3 (person(s) in whom the Units held by him/her shall vest in the event of his/her death. It shall be mandatory to indicate clearly percentage of allocation/share in favor of each of the nominees against their name and such allocation/share should be in whole numbers without any decimals making a total of 100 percent. In the event of the Unitholders not indicating the percentage of allocation/share for each of the nominees, the AMC, by invoking default option shall settle the claim equally amongst all the nominees.

In case of multiple nominees, on the death of one or more nominee, the transmission of units shall be made in favour of the remaining nominee(s).

After the Unit Holder Attains Majority

Anytime after the minor Unitholder attains majority, the Unit holder can write to the ISC requesting for a Nomination Form for the purpose of registering a nominee in accordance with the provisions stated here in above.

(v) **Choice of Nomination**

All new investors/unitholders shall continue to be required to mandatorily provide the 'Choice of Nomination' for demat accounts/ MF Folios (except for jointly held Demat Accounts and SIF Folios).

c) Change or cancellation of Nomination

A nomination made can be changed or cancelled subsequently by the unitholder(s) by making an application in the prescribed form to the SIF for change or cancellation of nomination. Change in / cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.

Any transfer/transmission of Units to any other person shall also result in automatic cancellation of the nomination and the Mutual Fund/SIF/AMC shall not be under any obligation to transmit the Units in favour of the nominee(s).

d) Nomination in respect of units stands rescinded upon transfer of units: -

On cancellation of nomination, the nomination made previously shall stand rescinded and the AMC/ SIF shall not be under any obligation to transfer the units in favor of any of the persons nominated earlier.

e) Settlement in the event of Death of Investor

- 1) The AMC shall, subject to completion of the necessary formalities by the nominee(s), including KYC Compliance, production of death certificate of the deceased unit holder and duly attested signature of the nominee(s), furnishing of proof of guardianship in case of minor nominee, execution of indemnity bond or such other document as may be required, proceed to effect the payment/transfer of units to the nominee(s).
- 2) Transfer of units/payment to a nominee of the sums shall be valid and effectual against any demand made upon the SIF/AMC and shall discharge the Mutual Fund/SIF/AMC of all liability towards the estate of the deceased unit holder and his/her successors and legal heirs, executors and administrators.
- 3) If the Mutual fund or SIF or the AMC or the Trustee were to incur or suffer any claim, demand, liabilities, proceedings or if any actions are filed or made or initiated against any of them in respect of or in connection with the nomination, they shall be entitled to be indemnified absolutely for any loss, expenses, costs, and charges that any of them may suffer or incur absolutely from the investor's estate.

f) Nomination for units held in electronic (demat) mode

For units of the Investment Strategy (s) held in electronic (demat) form with the depository, the nomination details provided by the unitholder to the depository will be applicable to the units of the Investment Strategy. Such nominations including any variation, cancellation or substitution of nominee(s) shall be governed by the rules and bye-laws of the depository.

Transfer of Units

The SIF units (Physical & Demat Form) unless otherwise restricted or prohibited under the Investment Strategy, shall be freely transferable by act of parties or by operation of law.

A unitholder, in a close ended Investment Strategy listed on a recognized stock exchange, who desires to trade in units shall hold units in dematerialized form.

In case of Investment Strategy that are not listed on a recognized stock exchange, as the SIF will be repurchasing (subject to completion of Lock-in Period) and issuing Units on an ongoing basis, the transfer facility is redundant.

The asset management Company shall, on production of instrument of transfer together with relevant unit certificates, register the transfer and return the unit certificate to the transferee within thirty days from the date of such production:

Provided that if the units are with the depository such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. The instructions for transfer of Units will have to be

lodged with the DP in the requisite form along with the requisite documents as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form.

(iii) **Transmission of Units**

In case of transmission of Units, the claimant(s) of Units will be required to submit the prescribed documents as may be applicable. Investors may refer to our website <https://www.wealthcompanyamc.in/wsif/> or contact any of our Investor Service Centre(s) for the various documents required under different transmission scenarios.

Under normal circumstances, the SIF will endeavor to process the transmission request within 10 business days, subject to receipt of complete documentation as applicable. In case Units are held in a single name by the Unitholder, units shall be transmitted in favour of the nominee(s), where the Unitholder has appointed nominee(s) upon production of the stipulated documents to AMC/Trustee Company or Registrar.

If the Unitholder has not appointed nominee(s), the units shall be transmitted in favour of the Unitholder's executor/administrator of estate/Legal heir(s) as the case may be on production of stipulated documents as per the rules of intestate succession or as per the Will of the latter, as the case may be.

In case of death of the 1st holder, if there are two surviving joint holders, units shall be transmitted in favour of the surviving holders on production of stipulated documents and the 2nd holder shall be treated as the new primary / 1st holder. The rights in the units will vest in the nominee(s) concerned upon the death of all Joint Unitholders and units shall be transmitted in favour of the nominee(s) upon submission of stipulated documents.

In case of close ended Investment Strategy, units shall be transmitted in favour of second holder/Nominee(s)/Unitholder's executor/administrator of estate/Legal heir(s) as the case may be, however, all payments/settlements/monetary claims will be made upon maturity of such Investment Strategy Any "Transmission-cum-Redemption" requests or requests for redemptions of units where transmission is under process will not be accepted.

The request for redemption of Units will be accepted only after processing the request for transmission of Units with proper documentation. A cooling off period of 10 business days between the date of transmission of units and subsequent redemption payout will be applicable. In such cases where the deceased was the 1st holder in respect any one of the folios, units in all other holdings across all other folios/ Investment Strategy, where the deceased was the 1st unitholder shall be 'Stop' marked/blocked against any further transactions based on PAN or PEKRN.

The Stamp duty payable by the claimant with respect to the indemnity bond and affidavit, will be in accordance with the stamp duty prescribed by law. Depending upon appropriateness, the AMC may consider seeking additional/alternative documents for necessary diligence of each case before transmitting the units in favour of the claimant/s. In case of discrepancy and/or dispute between legal heirs / other claimants / nominee, the AMC reserves the right to block the folio of the Investor for further transactions till such time a court order with appropriate jurisdiction is provided for further transmission of Units.

In case the units are held in demat form, the instructions for transmission of Units will have to be lodged with the DP in the requisite form along with the requisite documents as may be required from time to time and transmission will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form. Investor should refer to the relevant section of our website <https://www.wealthcompanyamc.in/wsif/> for more details and information regarding transmission of units

(iv) **Change in Guardian in case of a minor unit holder**

The guardian can be changed in a folio held "on behalf of a minor", either due to mutual consent or demise of the existing guardian. However, the new guardian can only be either a natural guardian (i.e. father or mother) or a court appointed legal guardian. New guardian should submit documentary evidence confirming the relationship with the minor, bank attestation attesting his/her signature and KYC compliance acknowledgment.

The following documents should be submitted for registration of the new guardian:

- Request letter from the new guardian;
- No Objection Letter (NOC) or Consent Letter from existing guardian
- Copy of PAN Card of the new guardian
- KYC acknowledgement or KYC Form of the new guardian;
- Attested copy of the Death Certificate of the deceased guardian, where applicable.
- Attested copy Court Order if the change of guardian is due to appointment of Legal guardian by the court.
- Documentary evidence showing relationship of the new guardian with the Minor (such as minor's Passport/ birth certificate/ PAN Card/ school leaving certificate etc. wherein the name of the new guardian is mentioned).
- A cancelled cheque evidencing the change of guardian in respect of minor's registered bank account with the new Guardian's name.
- Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian;
- Additional KYC, FATCA and CRS- Self Certification

**To be duly attested by a Notary Public or a Judicial Magistrate First Class or a Gazette Officer*

(v) **Minor attaining majority – Status Change**

When a minor unit holder attains majority on completion of 18 (eighteen) years of age, the unitholder is required to make an application to the AMC/RTA to change his / her status from "minor" to "individual" and register his / her signature with the RTA, submitting the following documents:

- a) A prescribed service request form, duly filled and containing details such as the name of the unitholder, folio numbers, Investment Strategy name etc;
- b) Bank Account Details of the Applicant along with cancelled cheque with Applicant's name printed or Applicant's Bank Statement/ Passbook.
- c) The KYC and PAN of the major unitholder; and
- d) Additional KYC, FATCA & CRS - Self Certification.

In this regard, unitholders may please note the following:

- a) The AMC/RTA shall endeavor to send advance notice at the registered correspondence address, advising the minor and guardian to submit prescribed documents, in order to effect change of status from 'minor' to 'major'.
- b) In case the requisite documents to change the status are not received by the date when the minor attains the age of majority, no transactions (financial and non-financial) including fresh registration of SIP, STP and SWP will be permitted after the date of minor attaining the age of majority.
- c) In case the requisite documents to change the status are not received by the date when the minor attains the age of majority, no transactions (financial and non-financial) including fresh registration of SIP, STP and SWP will be permitted after the date of minor attaining the age of majority.

(vi) **Duration of the Investment Strategies**

The duration of open-ended Investment Strategies is perpetual, while that of the close-ended Investment Strategies is as mentioned in the relevant ISIDs.

However, in terms of the SEBI (Mutual Fund Regulations), 1996, a close-ended Investment Strategy shall be wound up on the expiry of duration fixed in the Investment Strategy on the redemption of the units unless it is rolled over for a further period as mentioned in sub-regulation (4) of regulation 33 of SEBI (Mutual Fund) Regulations, 1996 and any amendment made thereof.

An Investment Strategy of a SIF is to be wound up:

- a) On happening of any event, which in the opinion of the Trustee, requires the Investment Strategies concerned to be wound up; or
- b) If 75% (seventy-five per cent) of the unit holders of the Investment Strategy concerned pass a resolution that the Investment Strategy be wound up; or
- c) If SEBI so directs in the interests of unit holders.

Effect of winding up

On and from the date of the publication of notice as specified above, the Trustee or the AMC as the case may be, shall—

- a) cease to carry on any business activities in respect of the Investment Strategies so wound up;
- b) cease to create or cancel units in the Investment Strategies; and
- c) cease to issue or redeem units in the Investment Strategies.

(vii) **KYC Requirements and Requirements of Prevention of Money Laundering Act**

Please refer point (i) above for Prevention of Money Laundering and Point no. 39 of How to apply for Know Your Client ('KYC') Requirements.

(viii) **Unclaimed Redemption / IDCW Amount**

As per para 14.3 of SEBI Master Circular dated June 27, 2024, The unclaimed redemption and dividend amounts, that are currently allowed to be deployed only in call money market or money market instruments, shall also be allowed to be invested in a separate plan of Overnight Investment Strategy / Liquid Investment Strategy / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts.

Provided that such Investment Strategies where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight Investment Strategy / Liquid Investment Strategy / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix.

AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such Investment Strategy or at 50 bps, whichever is lower.

Further, for the Unclaimed redemption and dividend amounts deployed by Mutual Funds in Call Money Market or Money Market instruments, the investment management and advisory fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

In terms of the circular, the onus is on the AMC to make a continuous effort to remind investors through letters to take their unclaimed amounts.

The information on amount unclaimed and number of such investors for each Investment Strategies shall be disclosed in the annual report sent to the Unitholders.

(ix) **Website**

The website of the SIF is intended solely for the use of resident Indians, non-resident Indians, persons of Indian origin and foreign institutional investors / foreign portfolio investors registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular, the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Any persons resident outside India, who nevertheless intend to respond to this material must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so. Information other than that relating specifically to the AMC/ the SIF and its products is for information purposes only and should not be relied upon as a basis for investment decisions. The AMC cannot be responsible for any information contained in any website linked from the SIF's website.

The AMC makes no representations whatsoever about any such website which the user may access through the said website. A link to another website does not mean that the AMC endorses or accepts any responsibility for the content, or the use, of such website. It is the responsibility of the user to take precautions to ensure that whatever is selected for use is free of such items as viruses and other items of a destructive nature. The investors are requested to read the terms and conditions given on the said website carefully before using the said website. By using the said website, the investor will be deemed to have agreed that the terms and conditions specified apply to the use of the investor of the said website, any information obtained from the site, and our products and services. If the investor does not agree to the specified terms, the investor may not use the said website or download any content from it.

(x) **Disclosure of Investors' Information to Service Providers and Intermediaries**

- a) The investors may note that the SIF or AMC needs to use the services of intermediaries such as post office, local and international couriers, banks and other intermediaries for correspondence with the investor and for making payments to the investor by cheques, drafts, warrants, electronic mode, etc.
- b) The AMC may share investors' personal information with the following third parties:
 - 1. Registrar, banks and / or authorised external third-party service providers who are involved in transaction processing, dispatches, etc., of investors' investment in the Investment Strategy;
 - 2. Distributors or sub-brokers through whom applications of investors are received; or
 - 3. Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti- money laundering laws.
- c) The investor expressly agrees and authorises the SIF or AMC or their intermediaries to correspond with the investor or make payments through intermediaries including but not limited to post office, local and international couriers, and banks. The investor clearly understands that the SIF or AMC uses such intermediaries for convenience of the investor and such intermediaries are agents of the investor and not the SIF or AMC.

(xi) **Compliance with Foreign Account Tax Compliance Act (FATCA)**

FATCA is a United States (US) Federal Law, to improve compliance of US tax citizens who have foreign financial assets and offshore accounts. In terms of FATCA, foreign financial institutions (FFIs) are required to report information about financial accounts held by US taxpayers (even if they hold only non-US assets) or held by foreign entities in which US taxpayers hold a substantial ownership interest.

The Government of India and US Government have signed an Inter-Governmental Agreement (IGA) on July 9, 2015, to implement FATCA. Pursuant to the reporting requirements mandated under FATCA.

Further, the SIF (through its agents or service providers) may report the information related to the investment of any investor to the US tax authorities (or to an Indian agency as notified, once India signs the intergovernmental agreement with US) and redeem and/or apply withholding tax to payments to investors who fail to provide the information and documents required to identify their status, or are non-FATCA compliant financial institutions or fall within other categories specified in the FATCA provisions and regulations. Investors should consult their own tax advisors regarding the applicability of FATCA requirements to them.

The AMC would be required from time to time to:

- (i) undertake necessary due diligence process by collecting information/documentary evidence about US/Non-US status of the investors/unitholders and identify US reportable accounts; and
- (ii) disclose/report information about the holdings, investments returns pertaining to US reportable accounts to the specified US agencies and/or such Indian authorities as may be specified under FATCA guidelines or under any other guidelines issued by Indian regulatory authorities such as SEBI, Income Tax etc. (collectively referred to as the guidelines).

FATCA due diligence will be applicable at each investor/unit holder (including joint holders) level and on being identified as reportable person/specified US person, all folios/accounts will be reported including their identity, direct or indirect beneficiaries, beneficial owners and controlling persons. Further, in case of folio(s)/account(s) with joint holder(s), the entire account value of the investment portfolio will be attributable under each such reportable person. Investor(s)/unitholder(s) will, therefore, be required to comply with the request of the AMC/the SIF to furnish such information, in a timely manner as may be required by the AMC/the SIF to comply with the due diligence/reporting requirements stated under IGA and/or the Guidelines issued from time to time. With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. One may note that in US, both US citizens and residents are taxed on their worldwide income. With respect to entities, FATCA requires reporting in relation to specified US persons (Eg. US partnerships, private

corporations) as well as passive Non-Financial Foreign Entities (NFFEs) in which controlling interest is held by specified US person.

The identification of US person will be based on one or more of the following —US “indicia” –

- Identification of account holder as a US citizen or resident;
- Unambiguous indication of a US place of birth;
- Current US mailing or residence address (including a US post office box)
- Current US telephone number;
- Standing instructions to transfer funds to an account maintained in USA;
- Current effective power of attorney or signing authority granted to a person with a US address; or
- An -in-care of or-hold mail address that is the sole address that the Indian Financial Institution has on the file for the account holder.

FATCA provisions are relevant not only at on-boarding stage of investor(s)/unit holder(s) but also throughout the life cycle of investment with the Fund/the AMC. In view of this, investors should intimate to the Fund/the AMC, in case of any change in their status with respect to FATCA related declaration provided by them previously.

The AMC/ Trustee reserves the right to reject any application or redeem the units held directly or beneficially in case the applicant/investor(s) fails to furnish the relevant information and/or documentation in accordance with the FATCA provisions, notified.

Investor(s)/unit holder(s) should consult their own tax advisors to understand the implications of FATCA provisions/requirements.

(xii) **Common Reporting Standard (CRS)**

On similar lines as FATCA, the Organization of Economic Development (“OECD”), along with the G20 countries, of which India is a member, has released a — Standard for Automatic Exchange of Financial Account Information in Tax Matters, in order to combat the problem of offshore tax evasion and avoidance and stashing of unaccounted money abroad, requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a CRS on automatic exchange of information (“AEOI”). The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November, 2014. On June 3, 2015, India has joined the multilateral competent authority agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the source jurisdiction to collect and report information to their tax authorities about account holders - residents in other countries, such information having to be transmitted - automatically annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest on the residential countries.

Appropriate rules have been notified to implement CRS and FATCA. In view of India’s commitment to implement the CRS on AEOI and also the IGA with USA, and with a view to provide information to other countries, necessary legislative changes have been made through Finance (No. 2) Act, 2014, by amending section 285BA of the Income –tax Act, 1961. Income tax Rules, 1962 were

amended vide notification No. 62 of 2015 dated 7th August, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

(xiii) **Ultimate Beneficial Ownership (UBO)**

As a part of Client Due Diligence (CDD) Process under PMLA 2002 read with PMLA Rules, 2005 each of the SEBI registered entity, which inter-alia includes Mutual Fund, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account.

Further, pursuant to SEBI Master Circular No. CIR/ISD/ AML/3/2010 dated December 31, 2010 on Anti Money Laundering Standards and Guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013 and Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2023/091 dated June 16, 2023 and Master Circular No. SEBI/ HO/ MIRSD/ DOP/ CIR/ P/ 2019/113 dated October, 15, 2019 and SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) (‘UBO’) and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

In order to comply with the above Act/Rules/Regulations, the following Client Due Diligence (CDD) process shall be implemented with effect from January 1, 2015.

I. Applicability:

1. Providing information about beneficial ownership will be applicable to the subscriptions received from all categories of investors except Individuals and a Company listed on a stock exchange or is a majority owned subsidiary of such a Company.
2. Proof of Identity of the UBO such as Name/s, Address & PAN/Passport together with self- attested copy alongwith the declaration for Ultimate Beneficial Ownership form is required to be submitted to the AMC/its RTA. The form is available on the website of the AMC i.e <https://www.wealthcompanyamc.in/wsif/> or the investor may visit any of the nearest investor service centres.
3. In case of any change in the beneficial ownership, the investor should intimate the AMC / its Registrar / KRA, as may be applicable, about such changes.

II. Identification Process:

For Investors other than Individuals or Trusts:

- (i) If the investor is an unlisted Company, partnership firm or unincorporated association / body of individuals, the beneficial owners are the natural person/s who is/are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest.
- (ii) Controlling ownership interest means ownership of / entitlement to:

- a. more than 10% of shares or capital or profits of the juridical person, where juridical person is a Company.
- b. more than 10% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or
- c. more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

For Investor which is a Trust:

In case of a Trust, the settler of the trust, the trustee, the protector and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

For Foreign Investors:

The Know Your Client requirements in case of foreign investors viz. Foreign Institutional Investors (FIIs), Sub accounts and Qualified Foreign Investors (QFIs) as specified in SEBI Circular No. CIR/MIRSD/11/2012 dated September 5, 2012 shall be considered for the purpose of identification of beneficial ownership of the investor. In case of Foreign Nationals, who are not KYC complied, please attach the ID proof, Nationality proof and Address proof. All proofs are to be in English language, else, it should be translated in English and must be attested by Indian Embassy of that country.

The AMC/ Trustee reserves the right to reject application forms submitted without disclosing necessary information as prescribed under the aforesaid laws/ rules/ regulations.

(xiv) **Refund of excess amounts**

In case any excess amount(s) is paid to any investor(s)/Unitholder(s) by Wealth Company Asset Management Holdings Private Limited (AMC) whether on account of redemption of units, or any other account (and, in case of payments by cheque, whether encashed or not), whatsoever, then The AMC may seek refund of such excess amount(s) from such investor(s)/Unitholder(s). In case, such investor(s)/Unitholder(s) fail to refund such excess amount(s) within the specified period then The AMC, in addition to its rights as may be available to it under the law, shall also have the right to debit/set off/adjust, either in full or in part, such excess amount(s) together with interest thereon at the rate of 15% p.a. from the amount(s), if any, payable, whether presently or in future, by The AMC to such investor(s)/Unitholder(s) under any Investment Strategy of SIF in the same Folio or any other Folio of such investor(s)/Unitholder(s).

(xv) **Powers To Make Rules**

The SIF/AMC may from time to time prescribe such forms and make such rules for the purpose of giving effect to the provisions of the Investment Strategy, and add to, alter or amend all or any of the forms and rules that may be framed from time to time in the interest of the Investors.

C. GENERAL INFORMATION

1. Inter- Investment Strategy transfer of investments:

Transfers of investments from one Investment Strategy to another Investment Strategy of the same SIF shall be allowed only if:

- a) such transfers are done at the prevailing market price (essentially fair valuation price) for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a stock exchange for the spot transaction); and transfers of unquoted instruments will be made at fair valuation price. Inter- Investment Strategy transfer of all debt and money market securities are done as per the Price provided by valuation agencies (currently CRISIL / ICRA) for the said purpose, and as per the policy laid down by the Trustee from time to time; and
- b) the securities so transferred shall be in conformity with the investment objective of the Investment Strategy to which such transfer has been made.
- c) With respect to Inter- Investment Strategy transfers, it has been decided that:
 - i. AMC's shall seek prices for IST of any money market or debt security (irrespective of maturity), from the valuation agencies.
 - ii. AMFI, in consultation with valuation agencies shall decide a turn-around-time (TAT), within which IST prices shall be provided by the agencies.
 - iii. If prices from the valuation agencies are received within the pre-agreed TAT, an average of the prices so received shall be used for IST pricing.
 - iv. If price from only one valuation agency is received within the agreed TAT, that price may be used for IST pricing.
 - v. If prices are not received from any of the valuation agencies within the agreed TAT, AMC's may determine the price for the IST, in accordance with Clause 3 (a) of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.

2. Aggregate investment in the Investment Strategy under the following categories:

In accordance with Paragraph on 'Investment Strategy Related Disclosures' of SEBI Master Circular for Mutual Funds dated June 27, 2024, the aggregate investment in the respective Investment Strategy by Board of Directors of Wealth Company Asset Management Holdings Private Limited and key personnel needs to be disclosed.

Investment Strategy Name	Aggregate amount invested in the Investment Strategy as on March 31, 2025 (market value in Rs.)		
	AMC's Board of Directors	Key personnel (excluding Fund Manager)	Fund Manager
NA			

3. Dematerialisation and Rematerialisation Procedures

How to apply for / get allotment of units in Demat mode:

The investors who intend to deal in depository mode (Demat mode) are required to have a demat account with Central Depository Services (India) Ltd ("CDSL") / National Securities Depository Ltd. ("NSDL"). The investors who subscribe for units through Exchange (BSE / NSE) and wish to have units in Dematerialised form, are required to place an order for purchase of units with the AMFI certified distributor or SEBI registered investment advisors. The investor should provide their depository account details to AMFI certified distributor or SEBI registered investment advisors. The purchase order will be entered in the Stock Exchange system by AMFI certified distributor or SEBI registered investment advisors & an order confirmation slip will be issued to investor. The investor will transfer the funds to the clearing corporation. For purchases through other modes, depository account details to be mentioned in the transactions if the units are required in Demat mode. Such units, post allotment, will be credited to the mentioned depository account post validation.

a. How to convert the units held in SoA mode to Demat mode:

Investors desiring to convert the physical units (SoA mode) into dematerialized form, need to submit the dematerialized request along with their latest account statement with their Depository Participant.

b. How to convert the units held in Demat mode to Remat mode:

Investor has to apply for Remat through his Depository Participant (DP) and complete the prescribed applications available at DP end. Once this is done, DP will send the same to RTA for processing.

c. How to redeem the units held in Demat mode:

The investors who hold units in dematerialised form are required to place an order for redemption with the AMFI certified distributor or SEBI registered investment advisors. The investors should provide their AMFI certified distributor or SEBI registered investment advisors with Depository Instruction Slip with relevant units to be debited from his account. The redemption order will be entered in the system & an order confirmation slip will be issued to investor. Presently no limit is applicable for the redemption of units. However, redemptions can be placed only in terms of units. Investor's also have an option of placing redemption on dematerialised units directly through their depository participant, wherein DP will upload redemptions directly with the depository which will be picked by RTA for processing.

d. Is switch-transaction permissible if the units are held in Demat:

Investors who intend to switch their demat units (Switch-in and switch-out transactions), need to submit the request through Stock Exchange platforms.

e. The procedure for change in investor's profile / bank account details etc. in respect of units held in demat mode (i.e., To whom the investor is required to approach, in case of such requests):

In case of non-financial requests/ applications such as change of investor's profile, address, bank details, complaints etc. investors should approach their respective Depository Participant(s) if units are held in demat mode.

4. Additional Mode of Payment through Applications Supported by Blocked Amount (ASBA) (Only during NFO period):

In line with para 14.8 of SEBI Master Circular dated June 27, 2024, all the new Investment Strategy (NFOs) shall offer ASBA facility to the investors subscribing to New Fund Offers (NFOs). This facility shall coexist with the current process, wherein cheques are used as a mode of payment.

Benefits of Applying through ASBA facility:

- I. Writing cheques and demand drafts is not required, as investor needs to submit ASBA application Form accompanying an authorization to block the account to the extent of application money towards subscription of Units. The balance money, if any, in the account can be used for other purposes by the investors.
- II. Release/Unblocking of blocked funds after allotment is done instantaneously.
- III. Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of Units as it remains in the bank account of the investor till the allotment is made.
- IV. Refunds of money to the investors do not arise as the application money towards subscription of Units gets blocked only on the allotment of Units.
- V. The investor deals with the known intermediary i.e. his/her own bank.
- VI. The application form is simpler as the application form for ASBA will be different from the NFO application form.

ASBA Procedure

- (a) An Investor intending to subscribe to the Units of the NFO through ASBA, shall submit a duly completed ASBA Application Form to a Self-Certified Syndicate Bank (SCSB), with whom his/her bank account is maintained.

Note: Self Certified Syndicate Bank (SCSB): Self Certified Syndicate Bank (SCSB) means a bank registered with SEBI to offer the facility of applying through the ASBA process. ASBAs can be accepted only by SCSBs, whose name appears in the list of SCSBs as displayed by SEBI on its website at www.sebi.gov.in.

- (b) The ASBA Application Form towards the subscription of Units can be submitted through one of the following Modes:
 - i) Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA");

Note: Designated Branches (DBs) of the SCSB: Designated Branches (DBs) of the SCSBs are the branches of the SCSBs which shall collect the ASBA Application form duly filled by the Investors towards the subscription to the Units of the Investment Strategy offered during the NFO.

or

- ii) Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").

- (c) An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the Units applied for.

Note: if the bank account specified in the ASBA Application Form does not have sufficient credit balance to meet the application money towards the subscription of Units, the Bank shall reject the ASBA application form.

- (d) On acceptance of Physical or Electronic ASBA, the SCSB shall block funds available in the bank account specified to the extent of the application money specified in the ASBA Application Form.
- (e) The application money towards the Subscription of Units shall be blocked in the account until
- (i) Allotment of Units is made or (ii) Rejection of the application or (iii) Winding up of the Investment Strategy, as the case may be.
- (f) SCSBs shall unblock the bank accounts for (i) Transfer of requisite money to the Investment Strategy bank account against each valid application on allotment or (ii) in case the application is rejected.
- (g) The list of SCSBs and their DBs where ASBA application form can be submitted is available on the websites of BSE (www.bseindia.com), NSE (www.nseindia.com) and SEBI (www.sebi.gov.in) and shall also be given in the ASBA application form.

Note: No request for withdrawal of ASBA application form made during the NFO Period will be allowed.

Grounds for Technical Rejections of ASBA application forms

ASBA Application Forms can be rejected, at the discretion of Registrar and Transfer Agent of WSIF or SCSBs including but not limited on the following grounds:-

1. Applications by persons not competent to contract under the Indian Contract Act, 1872, including but not limited to minors, insane persons etc.
2. Mode of ASBA i.e. either Physical ASBA or Electronic ASBA, not selected or ticked.
3. ASBA Application Form without the stamp of the SCSB.

4. Application by any person outside India if not in compliance with applicable foreign and Indian laws.
5. Bank account details not given/incorrect details given.
6. Duly certified Power of Attorney, if applicable, not submitted alongwith the ASBA application form.
7. No corresponding records available with the Depositories matching the parameters namely
 - (a) Names of the ASBA applicants (including the order of names of joint holders)
 - (b) DP ID (c) Beneficiary account number or any other relevant details pertaining to the Depository Account.

5. Portfolio Turnover Details

For open-ended Investment Strategy, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. There may be an increase in transaction cost such as brokerage paid, if trading is done frequently. Frequent trading may increase the profits which will offset the increase in costs. The fund manager will endeavor to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable accuracy, the likely turnover in the portfolio of the Investment Strategy. The Investment Strategy has no specific target relating to portfolio turnover.

Conflict of interest

The Trustee Company, the Asset Management Company, the Custodian, the Registrar, any Associate, any Distributor, Dealer, other companies within The Wealth Company group, etc. may from time to time act (individually and / or jointly) as manager, custodian, registrar, administrator, investment adviser, distributor or dealer or agent or marketing associate, respectively in relation to, or be otherwise involved in, other Investment Strategy / Funds / Activities (in the same or different capacity) (to the extent permitted under various relevant Regulations), which may have similar investment objectives to those of the Investment Strategy / Fund. Wealth Company Asset Management Holdings Private Limited may for example, make investments for other permitted business activities or on its own behalf without making the same available to the Investment Strategy / Fund. The Asset Management Company/Trustee Company will, at all times, have regard in such event to its obligations to act in the best interests of the Investment Strategy / Fund so far as is practicable, having regard to its obligations to other permitted business activities and will ensure that such transactions are conducted with / by the Investment Strategy / Fund purely on commercial terms / on an arm's length basis as principal to principal.

D. Associate Transactions

- i) Any underwriting obligations undertaken by the Investment strategies of SIF with respect to issues of associate companies, devolvement if any, of such commitments: Not applicable.
- ii) Subscription by the Investment strategies in issues lead managed by associate companies: Not applicable.
- iii) Brokerage paid to associates/related parties/group companies of Sponsor/AMC: Not applicable
- iv) Commission paid to Sponsor or its associates /employees or their relatives of the AMC: Not applicable

The AMC, on behalf of the SIF, may utilise the services of Sponsors, group companies and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

The AMC will, before investing in the securities of the group companies of the Sponsor, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Investment Strategy. Investments by the Investment Strategy in the securities of the group companies will be subject to the limits under the Regulations

- (b) No Investment Strategy shall make any investment in - any unlisted security of an associate or group company of the sponsor; or - any security issued by way of private placement by an associate or group company of the sponsor; or - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.
- (c) in case any Investment strategies of SIF invest more than 25% of its net assets in group companies, this shall be disclosed.
- (d) Names of associates of the Sponsor or the Asset Management Company with which the SIF proposes to have dealings, transactions and those whose services may be used for marketing and distributing the Investment strategy and the commissions that may be paid to them: Not applicable.

E. Documents available for inspection:

The following documents will be available for inspection at the office of WSIF at Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai – 400072, during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the SIF and the Custodian, if any
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity if any
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.

- Indian Trusts Act, 1882.

F. Investor grievance redressal mechanism:

Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries / clarifications.

Investors may contact at toll free number 1800 267 3454
Email: investorcare@wealthcompany.in

In case, query remains unresolved, please contact:

Investor Relations Officer:

Mr. Sachin Shah
Wealth Company Asset Management Holdings Private Limited
Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai – 400072
Email: investorcare@wealthcompany.in

SCORES

SCORES is an online grievance redressal facilitation platform provided by SEBI. Complainants can lodge grievances pertaining to securities market against SEBI regulated entities like listed companies, Registered Intermediaries and Market Infrastructure Institutions. Investors shall first take up their grievances for redressal with the entity concerned, through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances.

Investors can also register their complaint/grievances on the SCORES portal at <https://scores.sebi.gov.in>, which is developed by SEBI through their web portal.

How Scores works:

- Register on Scores- Fetch details from KYC Registration Agency or fill the Registration Form
- Lodge Complaint- Select appropriate category of complaint, Nature of Complaint and Name of the SEBI regulated Entity (i.e. Listed Company/ Registered Intermediaries/ Market Infrastructure Institutions)
- Track Status-Track the status of complaint. Please note that automatic reminders are sent to entities for timely resolution of complaint.
- Seek Review- Two level review system- Seek Review of your complaint within 15 days from date of receipt of ATR from the Entity for First Level Review and 15 days of receipt from Designated Body for Second Level Review.

The investors' complaints history for the last three fiscal years of existing Investment Strategy and the redressal mechanism thereof is not applicable for the AMC since this is the first Investment Strategy to be launched by the company.

Online Dispute Resolution (ODR)

In accordance with SEBI Master Circular with respect to Online Resolution of Disputes in the Indian Securities Market, a common Online Dispute Resolution ("ODR") Portal has been launched in order to harness online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. The said Master Circular along with the link to the ODR Portal viz. <https://www.smartodr.in> has been displayed on our website <https://www.wealthcompanyamc.in/wsif/> for the convenience of unitholders/ investors.

G. Information pertaining to Investments by the Investment Strategy of the SIF

1. Derivative Strategies

Investments in derivatives shall be undertaken in accordance with the SEBI (Mutual Funds) Regulations, 1996, the SEBI Master Circular for Mutual Funds, and the SEBI circulars applicable to Specialized Investment Funds (SIFs), including SEBI/HO/IMD/IMD-PoD-1/P/CIR/2025/26 dated February 27, 2025 and SEBI/HO/IMD/IMD-RAC/P/CIR/2025/54 dated April 11, 2025, as amended from time to time.

Investment in Derivatives

As part of the Fund Management process, the investment strategies may use derivative instruments such as Index futures and options, Stock futures and options, Exchange-traded debt derivatives, Interest rate futures (IRFs), Interest rate swaps (IRS), Forward rate agreements (FRAs), Options on debt instruments, Exchange-trade commodity derivatives, any other derivatives permitted by SEBI in future.

Equity Derivatives

The Investment Strategies may use various equity derivatives from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance unitholder's interest. Accordingly, the Investment Strategies may use derivative instruments for hedging, portfolio rebalancing and for taking directional (long and short) exposures to the extent permissible and consistent with ISID.

Exposure and Leverage Framework

The cumulative gross exposure through equity, debt, derivatives, repo transactions and such other securities/instruments as may be permitted by SEBI from time to time shall not exceed 100% of the net assets of the Investment Strategy. The SIF framework does not permit leverage. Derivatives may not be used to create structural or economic leverage beyond NAV.

Positions that meet SEBI's hedging definition may be excluded from gross exposure. Exposure in cash or cash equivalents with residual maturity of less than 91 days Unhedged short exposures shall be permitted only through exchange-traded derivatives, capped at 25% of net assets and short selling in the cash market is not permitted.

Exposure computation methodology:

Long Future = Futures Price × Lot Size × Number of Contracts

Short Future = Futures Price × Lot Size × Number of Contracts

Option Bought = Option Premium Paid × Lot Size × Number of Contracts

Option Sold = Market Price of Underlying × Lot Size × Number of Contracts

Offsetting of Transactions (illustrative list)

Sr. No.	Position 1	Position 2	Offsetting Allowed?	Net Exposure Considered
1	Equity Long	Futures Short	Yes	Equity Long only
2	Equity/Futures Long	Call Option Short	Yes	Equity/Futures Long only
3	Equity/Futures Long	Put Option Long	Yes	Equity/Futures Long only
4	Futures Short	Call Option Long	Yes	Futures Short only
5	Futures Short	Put Option Short	Yes	Futures Short only
6	Call Option Long	Call Option Short	Yes	Call Option Short only
7	Put Option Long	Put Option Short	Yes	Put Option Short only
8	Equity Long	Futures Long	No	Equity Long + Futures Long
9	Equity/Futures Long	Call Option Long	No	Equity/Futures Long + Call Long
10	Equity/Futures Long	Put Option Short	No	Equity/Futures Long + Put Short
11	Futures Short	Call Option Short	No	Futures Short + Call Short
12	Futures Short	Put Option Long	No	Futures Short + Put Long
13	Call Option Long	Put Option Short	No	Call Long + Put Short
14	Call Option Short	Put Option Long	No	Call Short + Put Long

Illustrative Equity Derivative Strategies

a) Unhedged directional long and short using index and / or stock futures

Index futures: Index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) have trading in index futures of different maturities. The pricing of an index future is the function of the underlying index and short-term interest rates. Index futures are cash settled there is no delivery of the underlying.

Stock futures: A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single Stock Futures in India are physically settled; there is delivery of the underlying stocks on the expiration date. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading stock futures is no different from trading the security itself.

Unhedged directional exposure: It means that there is no corresponding opposite position to offset impact of any price changes. Whenever price changes, there will be a direct impact on the value of the portfolio.

Long and Short: When it is expected that the underlying price will rise in future, a long exposure is created to benefit from rising prices. When it is expected that the price of the underlying will fall in future, a short exposure is created to benefit from the fall in prices. SIFs are permitted to have unhedged short exposure to the extent of 25% of the net assets of the investment strategy which may include unhedged short futures position.

Example using hypothetical figures

Unhedged Long Position (Index Futures):

Consider a scenario where the Nifty 50 index is trading at 24,000. If it is expected that the index will appreciate on the back of strong corporate earnings, the Investment Manager may take a long position in Nifty futures. Should the index rise to 24,800 at the time of expiry, the futures position would generate gains commensurate with the increase in the index level, adjusted for the contract size. Conversely, if the index were to decline, the position would incur a corresponding loss. Since there is no offsetting position to mitigate this risk, the exposure remains unhedged and directional.

Unhedged Short Position (Stock Futures):

Assume Reliance Industries Limited is trading at ₹3,000 in the cash market and its one-month futures contract is priced at ₹3,020. If it is anticipated that the price of the stock will decline due to sector-specific concerns, the Investment Manager may take a short position in Reliance stock futures equivalent to 1,000 shares. If the stock price falls to ₹2,900 at expiry, the short futures position would generate a profit of ₹120,000 (₹120 × 1,000). However, if the stock price rises, the position would result in a loss. In the absence of a corresponding hedge, this exposure constitutes an unhedged directional short position.

Please note that the above examples are given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

b) Unhedged directional long and short using index and / or stock options

An option gives a person the right but not an obligation to buy or sell something. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

Options are of two types:

Call Options: Call options are financial contracts that give the buyer the right, but not the obligation, to buy a stock or index, at a specified price within a specific period. A call seller must sell the asset if the buyer exercises the call. A call buyer profits when the underlying asset increases in price. Asset prices can increase for several reasons, including positive company news and during acquisitions. The seller profits from the premium if the price drops below the strike price at expiration because the buyer typically will not exercise the option. A long call option is the standard call option in which the buyer has the right, but not the obligation, to buy a stock / index at a strike price in the future. The advantage of a long call is that it allows the buyer to plan ahead to purchase a stock / index at a cheaper price.

A long call option is the standard call option in which the buyer has the right, but not the obligation, to buy a stock / index at a strike price in the future. The advantage of a long call is that it allows the buyer to plan ahead to purchase a stock / index at a cheaper price.

A short call option also known as call writing is the opposite of a long call option. In a short call option, the seller promises to sell their shares at a fixed strike price in the future. Short call options are mainly used for covered calls by the option seller, or call options in which the seller already owns the underlying stock for their options. Selling an option without owning the underlying is known as naked short call.

Put Options: Put options are financial contracts that give the buyer the right, but not the obligation, to sell a stock or index, at a specified price within a specific period. A put buyer profits when the underlying asset decreases in price. Asset prices can decrease for several reasons including negative company news or commentary. The seller profits from the premium if the price increases above the strike at expiration because the buyer typically will not exercise the option. Investment managers often use put options in a risk management strategy known as a protective put, a form of investment insurance or hedge to ensure that losses in the underlying asset do not exceed a certain amount.

A long put is when a put option is bought and a premium (the price of an option contract) is paid for the right to sell a stock / index at the strike price. This can be a good strategy if it is expected the price of the stock / index will go down in the future, because it can be sold at the higher strike price to make a profit. However, if the stock price goes up instead, the premium paid for the option is lost.

A short put also known as put writing is when a put option is sold and a premium is received for giving someone else the right to sell a stock / index at the strike price. This can be a good strategy if it is expected the price of the stock / index is going to go up or stay the same, because you get to keep the premium as profit. However, if the stock price goes down below the strike price, a loss will be incurred.

Example using hypothetical figures:

Unhedged Long Position (Call Option on Index):

Assume the Nifty 50 index is trading at 24,000. If it is expected that the index will appreciate, the Investment Manager may purchase a Nifty 25,000 Call Option expiring in one month by paying a premium of ₹200.

If, at expiry, the index closes at 25,500, the option will be exercised and the position will yield a gain of 500 points less the premium paid (i.e., $500 - 200 = 300$ points). Conversely, if the index closes below 25,000, the option will expire worthless and the premium paid will be the loss incurred.

Since there is no corresponding hedge, this constitutes an unhedged directional long position.

Unhedged Short Position (Put Option on Stock):

Assume Infosys Limited is trading at ₹1,500, and the one-month Infosys 1,400 Put Option is priced at a premium of ₹20. If it is anticipated that the price of Infosys will remain stable or rise, the Investment Manager may sell (write) the put option and receive the premium of ₹20 per share.

If, at expiry, the stock remains above ₹1,400, the option expires worthless and the premium received represents the profit. However, if the stock declines to ₹1,300, the option buyer may exercise the contract, obligating the seller to purchase Infosys at ₹1,400. This results in a notional loss of ₹100 per share, net of the ₹20 premium received.

In the absence of any offsetting position, this exposure is an unhedged directional short position.

SIFs are permitted to have 25% short exposure, which may include naked call writing or put buying.

Option contracts are classified into two styles:

(a) European Style

In a European option, the holder of the option can only exercise his right on the date of expiration only.

(b) American Style

In an American option, the holder can exercise his right anytime between the purchase date and the expiration date.

In India, options contracts on indices are European style and cash settled whereas, option contracts on individual securities are European style and physically settled

c) Index/ Stock spot – Index/ Stock Futures (Stock Arbitrage):

This strategy is employed when the price of the future is trading at a premium to the price of its underlying in spot market.

The Investment Strategy shall buy the stock in spot market and endeavor to simultaneously sell the future at a premium on a

quantity neutral basis. Buying the stock in spot market and selling the futures results into a hedge where the Investment Strategy has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour's weighted average trade of the spot market. Thus, there is a convergence between the spot price and the futures market on expiry.

This convergence helps the Investment Strategy to generate the arbitrage return locked in earlier.

On or before the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the Investment Strategy may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the Investment Strategy would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity, and holding onto the spot position.

Example using hypothetical figures:

The Investment Strategy holds shares of XYZ Ltd., the current price of which is Rs. 500 per share. The Investment Strategy sells one month futures on the shares of XYZ Ltd. at the rate of Rs. 540.

If the price of the stock falls, the Fund will suffer losses on the stock position held. However, in such a scenario, there will be a profit on the short futures position. At the end of the period, the price of the stock falls to Rs. 450 and this fall in the price of the stock results in a fall in the price of futures to Rs. 470. There will be a loss of Rs. 50 per share (Rs. 500 - Rs. 450) on the holding of the stock, which will be offset by the profits of Rs. 70 (Rs. 540 - Rs. 470) made on the short futures position.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mispricing of the futures.

d) Index Arbitrage:

The Nifty 50 index derives its value from fifty constituent stocks; the constituent stocks (in their respective weights) can be used to create a synthetic index matching the Nifty Index. Also, theoretically, the fair value of a future is equal to the spot price plus the cost of carry.

Theoretically, therefore, the pricing of Nifty Index futures should be equal to the pricing of the synthetic index created by futures on the underlying stocks.

Due to market imperfections, the index futures may not exactly correspond to the synthetic index futures. The Nifty Index futures normally trades at a discount to the synthetic Index due to large volumes of stock hedging being done using the Nifty Index futures giving rise to arbitrage opportunities.

One instance in which an index arbitrage opportunity exists is when Index future is trading at a discount to the index (spot) and the futures of the constituent stocks are trading at a cumulative premium.

The investment manager shall endeavour to capture such arbitrage opportunities by taking long positions in the Nifty Index futures and short positions in the synthetic index (constituent stock futures). Based on the opportunity, the reverse position can also be initiated.

e) Portfolio Hedging:

This strategy will be adopted:

(i) If in an already invested portfolio of an Investment Strategy, the Investment manager is expecting a market correction, the Investment manager may sell Index Futures or buy index puts to insulate the portfolio from the market related risks.

(ii) Hedging may also be undertaken at the stock level. For instance, if the portfolio has a substantial holding in a particular stock and the Investment Manager expects near-term weakness in that stock, the Manager may sell Stock Futures or purchase Stock Put Options to reduce the downside risk associated with that holding.

Illustrative Fixed Income Derivatives Strategies

a) Interest Rate Swap (IRS)

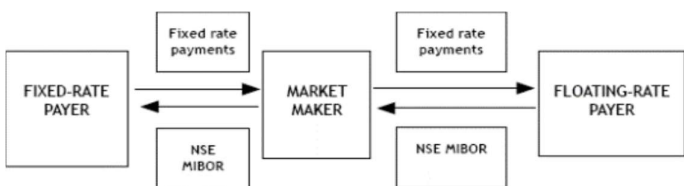
Any swap is effectively an exchange of one set of cash-flows for another considered to be of equal value. If the exchange of cash flows is linked to interest rates, it becomes an interest rate swap.

An interest rate swap is an agreement between two parties to exchange future payment streams based on a notional amount. Only the interest on the notional amount is swapped, and the principal amount is never exchanged.

In a typical interest rate swap, one party agrees to pay a fixed rate over the term of the agreement and to receive a variable or floating rate of interest. The counterparty receives a stream of fixed rate payments at regular intervals as described in the agreement and pays the floating rate of interest. A fixed/ floating interest rate swap is characterized by:

1. Fixed interest rate;
2. Variable or floating interest rate, which is periodically reset;
3. Notional principal amount upon which total interest payments are based; and
4. The terms of the agreement, including a schedule of interest rate reset dates, payment dates and termination date.

The primary reason for engaging in an interest rate swap is to hedge the interest rate exposure. An illustration could be an institution having long-term fixed rate assets (longer tenor securities receiving fixed rate) in a rising interest rate environment; it can hedge the interest rate exposure by purchasing an interest rate swap where the institution receives floating interest rate and pays fixed rate. In this case, an interest rate swap is likely to reduce the duration and interest rate volatility of the fund.



Example using hypothetical figures:

Terms:

Fixed Interest Rate : 8.50% p.a.

Variable Interest Rate : NSE Over-Night MIBOR reset daily and compounded daily

Notional Principal Amount: Rs.100 Crore

Period of Agreement : 1 year Payment Frequency : Semi-annual

Now, suppose the six-month period from the effective date of the swap to the first payment date comprises 182 days and the daily compounded NSE Over-Night MIBOR is 8.15% p.a. on the first payment date, then the fixed and variable rate payment on the first payment date would be as follows:

Fixed rate payment:

Rs. 4,23,83,562 = (Rs.100,00,00,000) x (8.50%) x (182 Days / 365 Days)

Variable rate payment:

Rs. 4,06,38,356 = (Rs.100,00,00,000) x (8.15%) x (182 Days / 365 Days)

Often, a swap agreement will call for only the exchange of net amount between the counterparties. In the above example, the fixed- rate payer will pay the variable-rate payer a net amount of Rs. 17,45,205 = Rs. 4,23,83,562 - Rs. 4,06,38,356.

The second and final payment will depend on the daily NSE MIBOR compounded daily for the remaining 183 days. The fixed rate payment will also change to reflect the change in holding period from 182 days to 183 days.

b) Forward Rate Agreement (FRA)

An FRA is an off balance sheet agreement to pay or receive on an agreed future date, the difference between an agreed interest rate and the interest rate actually prevailing on that future date, calculated on an agreed notional principal amount. It is settled against the actual interest rate prevailing at the beginning of the period to which it relates rather than paid as a gross amount. FRAs are purchased to hedge the interest rate risk; an investor facing uncertainty of the interest rate movements can fix the interest costs by purchasing an FRA.

An FRA is referred to by the beginning and end dates of the period covered. Thus a 5x8 FRA is one that covers a 3-month period beginning in 5-months and ending in 8-months. FRAs are purchased to hedge the interest rate risk; an investor facing uncertainty of the interest rate movements can fix the interest costs by purchasing an FRA.

An illustration could be a corporation having floating rate debt linked to an index such as say, 3-Month MIBOR. If the existing interest cost is at 8% on Rs.100 Crore for the next three months, the corporation can purchase a 3x6 FRA @ 8.1% on Rs.100 Crore and fix the interest cost for the 3-6 months period. If the actual 3-Month MIBOR after 3-months is at 8.25%, the corporation has saved 15 bps in interest cost. As the settlement is done at the beginning of the period, the savings in interest expense are discounted to a present value using a 3-month rate to calculate the actual settlement amount.

The flows for the institution will be, as follows:

Interest Savings = Rs. 100 Crore * 15 bps * 92/365

(assuming 92 days in the 3 month FRA period and 365 days in the conventional year) = Rs.3,78,082.19 Settlement Amount = Rs.3,78,082.19/ (1+8.25%*92/365) Please note that the above examples are hypothetical in nature and the figures are assumed.

c) Interest Rate Futures

An Interest Rate Futures ('IRF') contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Interest Rate Futures are Exchange traded and standardized contracts based on 6 year, 10 year and 13 year Government of India Security and 91-day Government of India Treasury Bill (91DTB). These future contracts are cash settled. These instruments can be used for hedging interest rate exposure.

Hedging using IRFs: For example, assume a portfolio has Rs. 100 crores of Government security 7.59% GOI 2026 with face value Rs. 100/-. The bond is currently trading in market at 105.00.

The futures on 7.59% GOI 2026, expiring on 26th October 2018 is trading on exchange at 105.10. Instead of exiting the cash position, the fund manager can decide to hedge the position by selling the same quantity in futures. Since one contract of IRF has a notional of Rs. 2 lakhs, in this example the fund manager sells Rs. 100 crores/2 lakhs = 5000 contracts, to hedge his position. At maturity, the settlement price of the futures will be almost same as closing price of the underlying security.

At maturity of the Interest Rate Futures

Case 1: At maturity Bonds close higher than the price at which fund manager hedged the position, but below the futures price at which he hedged

Closing price of Bonds on day of maturity of futures = 105.05 Settlement price of futures = 105.05

MTM gain on the underlying bond = $(105.05-105.00) * 100 \text{ crores} / 100$ (i.e. face value of bond) = Rs. 5,00,000

The profit on the futures leg is = $5000 * 2 \text{ lakhs} * (105.10-105.05) / 100$ (i.e. face value of bond) = Rs 5,00,000 Overall profit to the fund = Rs 10,00,000

Case 2: At maturity bonds close higher than the level at which futures were sold

In case, the closing price of bonds on the day of maturity of futures = 105.20, Settlement price of futures = 105.20

The MTM gain on bonds = $(105.20-105.00) * 100 \text{ crores} / 100$ (i.e. face value of bond) = Rs. 20,00,000

Loss on futures leg = $5000 * 2 \text{ lakhs} * (105.10-105.20) / 100$ (i.e. face value of bond) = (Rs 10,00,000)

Total Profit to the fund = Rs 10,00,000

Case 3: At maturity bonds sells off from levels were hedges were initiated

In case, the closing price of bonds on the day of maturity of futures = 104.80, Settlement price of futures = 104.80

The MTM loss on bonds = $(104.80-105.00) * 100 \text{ crores} =$ (Rs. 20,00,000)

Profit on futures leg = $5000 * 2 \text{ lacs} * (105.10-104.80) =$ Rs 30,00,000

Total Profit to the fund = Rs 10,00,000

Unhedged directional exposure using IRFs:

Long Position (Bullish on Bonds / Bearish on Interest Rates):

Assume a 10-year Government of India Security Futures contract is trading at ₹102.50. If the Investment Manager expects interest rates to decline, bond prices are likely to rise. Accordingly, the Manager may take a long position in the IRF. If, at expiry, the futures price increases to ₹104.00, the position will generate a profit of ₹1.50 per unit of the contract. Conversely, if interest rates rise and the futures price declines, the position will incur a loss.

Short Position (Bearish on Bonds / Bullish on Interest Rates):

Assume the same 10-year Government of India Security Futures contract is trading at ₹102.50. If the Investment Manager expects interest rates to rise, bond prices are likely to fall. In this scenario, the Manager may take a short position in the IRF. If, at expiry, the futures price declines to ₹101.00, the position will generate a profit of ₹1.50 per unit of the contract. However, if interest rates fall and futures prices rise, the position will result in a loss.

In both cases, the exposure is unhedged and directional, as the performance of the position is directly dependent on the movement of interest rates through their impact on Government Securities prices.

EXCHANGE TRADED COMMODITY DERIVATIVES

Investment Strategy may take exposure to ETCDs to take exposure to various commodities or to hedge existing commodity exposure subject to SEBI regulations

Illustration on Exchange Traded Commodity Derivatives (ETCDs):

1) Commodity Futures

Trade date	21-Dec
Expiry	05-Feb
Current market price/ 10gm	₹ 45,000
Lot size in gms	1000
Lot value / contract value	₹ 45,00,000
Margin	5%
Margin Value	₹ 2,25,000
Trade / position	Buy Commodity
Quantity	1 lot
Buy price per 10 gm	₹ 45,000
Sell trade date	30-Jan
Sell price per 10 gm	₹ 50,000
Gain/Loss per 10 gm	₹ 5,000
Gain/ Loss per Lot or contract value	₹ 5,00,000

2) Commodity Options

Trade date	21-Dec
Expiry	29-Jan
Corresponding futures contract	05-Feb
Current future price/ 10 gm	₹ 45,000
Strike Price	₹ 45,000
Call option premium per / 10 gm	₹ 500
Trade / position	Buy strike 45,000 CE
Quantity	1 kg
Buy price per 10 gm	₹ 500
Sell trade date	20-Jan

Futures price on 20-Jan per 10 gm	₹ 48,000
45000 strike CE price on 20-Jan per 10 gm	₹ 3,500
Gain/Loss per 10 gm	₹ 3,000
Gain/ Loss per Lot or contract value	₹ 3,00,000

Position Limits

The position limits for trading in derivatives by Specialized Investment Funds specified by clause 7.5 of SEBI Master Circular are as follows:

i. Position limit for the Specialized Investment Fund in index options contracts:

- The Specialized Investment Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest in the market in index options, whichever is higher.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Specialized Investment Fund in index futures contracts:

- The Specialized Investment Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest in the market in index futures, whichever is higher.
- This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Fund may take exposure in equity index derivatives subject to the following limits:

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Specialized Investment Fund's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Specialized Investment Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Specialized Investment Fund for stock based derivative contracts:

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for the Investment Strategy:

The position limits for the Investment Strategy and disclosure requirements are as follows:

- The gross open position across all derivative contracts on a particular underlying stock of an Investment Strategy of a Fund shall not exceed the higher of 1% of free float market capitalization (in terms of number of shares).
Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, the Specialized Investment Fund shall disclose the total open interest held by its Investment Strategy or all Investment Strategies put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

2. Swing Pricing

Not applicable currently, as WSIF does not have any open-ended debt investment strategies. However, the AMC/Trustee reserves the right to introduce such strategies at its discretion in the future

3. Provisions on creation of Segregated portfolio/Side pocketing

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

- Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
 - Downgrade of a debt or money market instrument to 'below investment grade', or
 - Subsequent downgrades of the said instruments from 'below investment grade', or
 - Similar such downgrades of a loan rating

In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio.
- In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.
- Creation of segregated portfolio is optional and is at the discretion of the AMC. It shall be created only if the Investment Strategy Information Document (ISID) of the investment strategy has provisions for segregated portfolio with adequate disclosures.

Process for Creation of Segregated Portfolio:

- On the date of credit event, AMC should decide on creation of segregated portfolio. Once AMC decides to segregate portfolio, it should:
 - seek approval of trustees prior to creation of the segregated portfolio.
 - immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. The Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC.
 - ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the investment strategy will be suspended for processing with respect to creation of units and payment on redemptions.
- Once Trustee approval is received by the AMC:

- a. Segregated portfolio will be effective from the day of credit event
- b. AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.
- c. An e-mail or SMS will be sent to all unit holders of the concerned investment strategy.
- d. The NAV of both segregated and main portfolios will be disclosed from the day of the credit event.
- e. All existing investors in the investment strategy as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- f. No redemption and subscription will be allowed in the segregated portfolio. However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.
- g. AMC should enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests
- h. All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the existing SEBI circular on applicability of NAV as under:
Upon trustees' approval to create a segregated portfolio –
 - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
 - Investors subscribing to the investment strategy will be allotted units only in the main portfolio based on its NAV. After creation of segregated portfolio, investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio. Further investors subscribing to the investment strategy will be allotted units only in the main portfolio based on its NAV.
3. If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same and subscription and redemption applications will be processed based on the NAV of total portfolio.
4. Notwithstanding the decision to segregate the debt and money market instrument, the valuation shall take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations, 1996 and Circular(s) issued thereunder.

TER for the Segregated Portfolio

- 1) AMC will not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- 2) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence. In addition to the TER mentioned above, the legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio as mentioned below.
- 3) The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
- 4) The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Explanations:

- 1) The term 'segregated portfolio' means a portfolio, comprising of debt or money market instrument affected by a credit event that has been segregated in a SIF investment strategy.
- 2) The term 'main portfolio' means the investment strategy portfolio excluding the segregated portfolio.
- 3) The term 'total portfolio' means the investment strategy portfolio including the securities affected by the credit event.

Disclosure Requirements:

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

- a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- b. Adequate disclosure of the segregated portfolio shall appear in all investment strategy related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Specialized Investment Fund and the investment strategy.
- c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- d. The information regarding number of segregated portfolios created in a investment strategy shall appear prominently under the name of the investment strategy at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- e. The investment strategy performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The investment strategy performance shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery (ies), if any, shall be disclosed as a footnote to the investment strategy performance.
- f. The disclosures at paragraph (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Monitoring by Trustees:

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
 - i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
 - ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
 - iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
 - iv. The trustees shall monitor the compliance of this circular and disclose in the half-yearly trustee reports filed with SEBI, the

compliance in respect of every segregated portfolio created.

b. In order to avoid mis-use of segregated portfolio, trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the investment strategy.

Risks associated with segregated portfolio

- 1) Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- 2) Security comprises of segregated portfolio may not realise any value.
- 3) Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Illustration of Segregated Portfolio

Portfolio Date	31-Mar-19
Downgrade Event Date	31-Mar-19
7.65% C Ltd from	
Downgrade Security	AA+ to B
Valuation Marked Down	25%
Mr. X is holding 1000 Units of the investment strategy, amounting to (1000*15.0574)	
Rs.15057.40	

Portfolio prior to downgrade on the date of Credit Event

Security	Rating	Type of the Security	Quantity	Price Per Unit	Market Value (Rs. In lacs)	% Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3,200,000	102.812	3,289.98	20.764
7.70 % B LTD	CRISIL AAA	NCD	3,230,000	98.5139	3,182.00	20.082
7.65 % C Ltd	CRISIL AAA	NCD	3,200,000	98.457	3,150.62	19.884
D Ltd (15/May/2019)	ICRA A1+	CP	3,200,000	98.3641	3,147.65	19.865
7.65 % E LTD	CRISIL AA	NCD	3,000,000	98.6757	2,960.27	18.683
Cash / Cash Equivalents					114.47	0.722

Net Assets	15,845
Unit Capital (no of units)	1,000
NAV Per Unit	15.8450
<u>Segregated Portfolio after segregation (before mark-down of security)</u>	

Security	Rating	Type of the Security	Quantity	Price Per Unit	Market Value (Rs. In lacs)	% Net Assets
7.65 % C Ltd	CRISIL AAA	NCD	3,200,000	98.457	3,150.62	100.000

Net Assets	3,150.62
Unit Capital (no of units)	1,000
NAV Per Unit	3.1506

H. Transaction Charges and Stamp Duty

(a) Stamp Duty

Unitholders are requested to note that, pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of the Finance Act, 2019 dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India, a stamp duty @0.005% of the transaction value would be levied on applicable SIF transactions (including transactions carried through stock exchanges and depositories for units in demat mode), with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/switch in transactions (including IDCW reinvestment) to the unitholders would be reduced to that extent.

Note: Transaction charges have been removed pursuant to SEBI Circular No.: SEBI/HO/IMD/PoD1/CIR/P/2025/115 dated August 08, 2025

I. Requirement of minimum number of investors in Investment Strategy

Applicability for an open-ended Investment Strategy

- J.** The Investment Strategy /Plan shall have:
- a. a minimum of 20 investors and

- a. no single investor shall account for more than 25% of the corpus of the Investment Strategy /Plan(s).
- 1 If either/both of such limit(s) is breached during the NFO of the Investment Strategy, it shall be ensured that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Investment Strategy, whichever is earlier, the complies with these two conditions.
- 2 In case the Investment Strategy / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation would become applicable automatically without any reference from SEBI and accordingly the Investment Strategy / Plan(s) shall be wound up and the units would be redeemed at applicable NAV.
- 3 The average net assets of the Investment Strategy would be calculated daily and any breach of the 25 % holding limit by an investor would be determined. At the end of the quarter, the average of daily holding by each such investor is computed to determine whether that investor has breached the 25 % limit over the quarter. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days' notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the SIF on the applicable Net Asset Value on the 15th day of the notice period.
- 4 The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI.
- 5 The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

XI. DISCLOSURES AND REPORTS BY THE FUND

A. Account Statement/Consolidated Account Statement:

Accounts Statement/Consolidated Accounts Statements (CAS):

An applicant in an Investment Strategy whose application has been accepted shall have the option either to receive the statement of accounts or to hold the units in dematerialized form and the asset management Company shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant or issue units in the dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list or from the date of receipt of the application.

On acceptance of application for financial transaction, a confirmation specifying the number of Units allotted/redeemed will be sent by way of e-mail and/or SMS to the applicant's registered e-mail address and/or mobile number within five Business Days from the date of transaction/closure of New Fund Offer (NFO) Period.

SIF will send account statement with all details registered in the folio by way of an e-mail and/ or SMS to the investor's registered address/email address/registered mobile number later than five business days from the date of subscription/closure of New Fund Offer (NFO) period or by way of physical statement not later than five business days from the date of receipt of request from the unitholder.

In compliance with SEBI Circulars, Specialized Investment Fund will send the Consolidated Account Statement (CAS) to investors as follows:

1. A single Consolidated Account Statement (CAS) on basis of PAN (PAN of the first holder & pattern of holding, in case of multiple holding) will be dispatched to unitholders having Mutual Fund investments & holding Demat accounts by Depositories as per the specified timeline specified by SEBI at the end of the month in which transaction (the word 'transaction' shall include all financial transactions in demat accounts/SIF folios of the investor) takes place.
27. The CAS will not be received by the investors for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. Such investors will get monthly account statement from SIF in respect of transactions carried out in the Investment Strategy of WSIF during the month on or within fifteenth day of the succeeding month.
28. In other cases i.e. where unitholders having no Demat account & only SIF units holding, SIF shall continue to send the CAS as is being send on or within fifteenth day of the succeeding month in which financial transaction takes place.
29. In case the investor provides his email ids, statements are presently being dispatched by e- mail either by Fund or the Depository. Accordingly, CAS will also be sent through email. However, the Unitholders have an option to receive CAS in physical form at the address registered in the Depository system.
30. The dispatch of CAS by Depositories to Unitholders would constitute compliance by Wealth Company Asset Management Holdings Pvt Ltd / the Fund with the requirements under Regulation 36(4) of SEBI (Mutual Funds) Regulations 1996.
31. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each Investment Strategy.
32. In case if no transaction has taken place in a folio during the period of six months ended September 30 and March 31, the CAS detailing the holdings across all Investment Strategy of all mutual funds, shall be emailed on half yearly basis, as per the specified timeline specified by board of succeeding month, unless a specific request is made to receive the same in physical form.

33. Half-yearly CAS shall be issued to all SIF investors, excluding those investors who do not have any holdings in Investment Strategy and where no commission against their investment has been paid to distributors, during the concerned half-year period on or within twenty first day of the succeeding month. Further, CAS issued for the half-year(September/March) shall also provide:
- The amount of actual commission paid by AMC/SIF to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each SIF Investment Strategy. The term "commission" here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMC/MF to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses etc.
 - The Investment Strategy's average Total Expense Ratio (in percentage terms) along with the break up between Investment and Advisory fees, Commission paid to the distributor and Other expenses for the period for each Investment Strategy's applicable plan (regular or direct or both) where the concerned investor has actually invested in.

B. Half Yearly Disclosures/Portfolio Disclosures/Financial Results: Portfolio Disclosure:

The SIF shall disclose portfolio (along with ISIN), including derivative instruments, as on the last day of every alternate month (i.e. as on the end of May, July, September, November, January and March) for all its investment strategies (including debt based investment strategies) on the respective AMC SIF website <https://www.wealthcompanyamc.in/wsif/> and on the website of AMFI within 10 days from the close of such month in a user friendly and downloadable spreadsheet format. All other provisions regarding portfolio disclosure applicable to SIF Investment Strategy, shall also be applicable to the investment strategies under the SIF.

Further, AMC shall publish an advertisement in an all India edition of one national English daily newspaper and one Hindi newspaper, every half year, disclosing the hosting of the half yearly statement of its investment strategies' portfolio on the AMC SIF website and AMFI and the modes through which unitholder(s) can submit a request for a physical or electronic copy of the statement of investment strategy portfolio.

The AMC will also provide a dashboard, in a comparable, downloadable (spreadsheet) and machine readable format, providing performance and key disclosures like Investment strategy's AUM, investment objective, expense ratios, portfolio details, investment strategy's past performance etc. on the website.

C. Half Yearly Results Unaudited Financial Results:

The Specialized Investment Fund shall within one month from the close of each half year, that is on 31st March & on 30th September, host a soft copy of its unaudited financial results on its website

The Specialized Investment Fund shall publish an advertisement disclosing the hosting of such financial results on their website, in atleast one English daily newspaper having nationwide circulation & in a newspaper having wide circulation published in the language of the region where the Head Office of the fund is situated.

The unaudited financial results will also be displayed on the website of the AMC SIF <https://www.wealthcompanyamc.in/wsif/> and AMFI website.

D. Annual Report

The Investment strategy annual report or an abridged summary thereof shall be mailed (emailed, where e mail id is provided unless otherwise required) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and full annual report shall be available for inspection at the Head Office of the Specialized Investment Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees,

Investment strategy wise annual report shall also be displayed on the website of the AMC SIF <https://www.wealthcompanyamc.in/wsif/> and on the website of Association of Mutual Funds in India (www.amfiindia.com).

NOTES:

- This Statement of Additional Information ("SAI") will be uploaded by WSIF on its website (<https://www.wealthcompanyamc.in/wsif/>) and on AMFI website. The printed copy of the SAI will be made available to any investor on specific requests being made.
- The SAI shall be updated within 3 months from the end of financial year and filed with SEBI. Any material changes in the SAI shall be made on an ongoing basis by way of updated on the website of the SIF and AMFI. SEBI shall also be intimated of the changes made in the SAI within 7 days.
- Notwithstanding anything contained in the Statement of Additional Information the provisions of the SEBI (Mutual Funds) Regulations, 1996 and guidelines thereunder shall be applicable.

investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision