

# DISCLOSURE DOCUMENT

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

## KEY INFORMATION AND DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT SERVICES UNDERTAKEN BY 360 ONE PORTFOLIO MANAGERS LIMITED.

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

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

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

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

Following are the details of the Portfolio Manager:

<b>Name of the Portfolio Manager</b>	<b>360 ONE Portfolio Managers Limited (formerly known as IIFL Wealth Portfolio Managers Limited)</b>
SEBI Registration Number	INP000005874
Registered Office Address	360 ONE Centre, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013
Phone	(+91 - 22) 48765600
Website	<a href="https://iiflwealth.com/Wealth-Portfolio-Managers">https://iiflwealth.com/Wealth-Portfolio-Managers</a>

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

<b>Name of the Principal Officer</b>	<b>Mr. Gaurav Doshi</b>
Phone	+91 22 4876 5291
Email	<a href="mailto:Gaurav.Doshi@360.one">Gaurav.Doshi@360.one</a>
Website	<a href="https://iiflwealth.com/Wealth-Portfolio-Managers">https://iiflwealth.com/Wealth-Portfolio-Managers</a>

Date: July 20, 2023

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## A.) DISCLAIMER:

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

## B.) DEFINITIONS:

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

- a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) "Agreement" means agreement between Portfolio Manager and its client and shall include all schedules and annexures attached thereto.
- c) "Accreditation Agency" means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the Board from time to time.
- d) "Accredited Investor" means any person who has been granted a certificate by the accreditation agency who:
  - a. in case of an individual, HUF, family trust or sole proprietorship has:
    - i. annual income of at least two crore rupees; or
    - ii. net worth of at least seven crore fifty lakh rupees, out of which not less than three crores seventy-five lakh rupees is in the form of financial assets; or
    - iii. annual income of at least one crore rupees and minimum net worth of five crore rupees, out of which not less than two crore fifty lakh rupees is in the form of financial assets.
  - b. in case of a body corporate, has net worth of at least fifty crore rupees;
  - c. in case of a trust other than family trust, has net worth of at least fifty crore rupees;
  - d. in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

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

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

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- g) "Body Corporate" shall have the meaning assigned to it in or under clause (11) of Section 2 of Companies Act, 2013.
- h) "Client" or "Investor" means any person who registers with the Portfolio Manager and enters into an agreement with the Portfolio Manager for availing the services of Portfolio Management.
- i) "Custodian" means any person who carries on or proposes to carry on the business of providing custodial services in accordance with the regulations issued by SEBI from time to time.
- j) "Depository" means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).
- k) "Depository Account" means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations in which the securities comprising part of the portfolio of the client are kept by the portfolio manager.
- l) "Disclosure Document" means this disclosure document for offering Portfolio Management Services.
- m) "Financial Year" means the year starting from 1st April and ending on 31st March the following year.
- n) "Funds" means the moneys placed by the Client with the Portfolio Manager and any accretions thereto.
- o) "Funds managed" means the value of the Portfolio of the Client as on date.
- p) "Initial Corpus" means the value of the funds and the value of readily realizable investments brought in by the client at the time of registering as a client with the Portfolio Manager and accepted by the Portfolio Manager.
- q) "Investing Company or the Venturer" shall mean a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate.
- r) "Large Value Accredited Investor" means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of ten crore rupees.
- s) "PMS / Portfolio Management Services Agreement" includes contract / term sheet entered between the portfolio manager and the client for the management of funds or securities of the client.
- t) "Portfolio" means the total holdings of all investments, securities and funds belonging to the client.
- u) "Portfolio Manager" means 360 ONE Portfolio Managers Limited (formerly known as IIFL Wealth Portfolio Managers Limited) a company incorporated under the Companies Act, 1956 and having its registered office at 360 ONE Centre, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013.
- v) "Principal Officer" means a person who has been designated as a Principal Officer by the Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 2020 and will be responsible for the activities of Portfolio Manager.
- w) "Regulations" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 including rules, guidelines or circulars issued in relation thereto from time to time.
- x) "Related Party" in relation to Portfolio Manager shall mean:
  - 1. a director, partner or his relative;

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2. a key managerial personnel or his relative;
3. a firm, in which a director, partner, manager or his relative is a partner;
4. a private company in which a director, partner or manager or his relative is a member or director;
5. a public company in which a director, partner or manager is a director or holds along with his relatives, more than 2 (Two) percent of its paid-up share capital;
6. any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
7. any person on whose advice, directions or instructions a director, partner or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

8. any body corporate which is –
  - (i) a holding, subsidiary or an Associate company of the Portfolio Manager; OR
  - (ii) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary;
  - (iii) an Investing company or the Venturer of the Portfolio Manager;
9. a related party as defined under applicable accounting standards;
10. such other person as may be specified by SEBI from time to time:

Provided that,

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
  - (i) of twenty percent or more;
  - (ii) of ten percent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis, as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.

- y) "SEBI" means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.
- z) "Securities" means and includes Securities as defined under Securities Contracts (Regulation) Act, 1956.

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

## C.) DESCRIPTION:

### • **History, Present Business and Background of the Portfolio Manager:**

360 ONE Portfolio Managers Limited ("360 ONE Portfolio") (formerly known as IIFL Wealth Portfolio Managers Limited) was incorporated under the Companies Act, 1956 on July 19, 2011, having its Registered Office at 360 ONE Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. 360 ONE Portfolio provides Investment Management Services to Schemes of Alternative Investment Funds namely IIFL Alternative Opportunities Fund (A Category III Alternative Investment Fund) and is registered as a Real Estate Agent under

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various State Real Estate Regulatory Authorities. The Non-convertible debentures of the Company are listed on BSE Limited. 360 ONE Portfolio is also registered with Securities and Exchange Commission as an Investment Adviser.

- **Promoters of the Portfolio Manager, Directors and their background.**

## **(a) Promoters of 360 ONE Portfolio Managers Limited**

360 ONE Portfolio is a wholly owned subsidiary of 360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)) (360 ONE WAM). 360 ONE WAM is registered as a merchant banker with SEBI. Non-convertible debentures and certain Commercial Papers of 360 ONE WAM are listed on BSE Limited. 360 ONE WAM provides wealth management services to various HNI / Ultra HNI clients and inter alia distributes various securities and financial products, including mutual funds, Alternative Investment Funds, debentures and structured products. 360 ONE WAM acts as the Sponsor/Co-Sponsor to 360 ONE Mutual Fund and schemes launched as Alternative Investment Funds, managed by group companies.

## **(b) The Board of Directors of 360 ONE Portfolio Managers Limited and their background**

### **1) Mr. Anandakumaran Nair Pramod Kumar – Director**

Mr. Pramod Kumar has over 26 years of experience in various aspects of capital markets and investment advisory. His primary focus in various assignments has been in constructing portfolios and designing investment solutions and strategies for clients using equities, bonds, mutual funds and derivatives. This focus allowed for detailed analysis of business, companies, investment products and tax structures. The other focus area throughout his career was client relationship management. This allowed for certain degree of skill to be built in communicating investment ideas and strategies to clients and reporting the progress of their investment portfolios in a transparent, regular and an ethical manner. Working for the investment advisory and capital market industry for the entire career has brought in a great respect for regulation and keeping the clients' interest as the major criteria, which in turn has resulted in rewarding experience.

### **2) Mr. Yatin Shah - Director**

Mr. Yatin Shah is the Joint CEO of 360 ONE WAM Business and Promoter and Non-Executive Director on the Board of our Company. He acquired his M.Sc. degree in Finance from Cass Business School, London and holds a bachelor's degree in commerce from University of Mumbai. He has more than 20 years of experience in the financial services sector, across equity research and private wealth management. He focuses on the wealth practice besides client services, marketing and client experiences. He is responsible for introducing the 360 ONE proposition to new clients, as well as expanding the relationship with existing clients. Among other awards, he is a recipient of the Best Financial Manager award for the best registered deal by Asian Institute of Management, Manila.

### **3) Mr. Himadri Chatterjee - Director**

Mr. Himadri Chatterjee is part of the founding team at 360 ONE WAM and possesses more than 18 years of experience in private wealth management and investment advisory. Himadri heads the Key Clients Group, a specialized team that customizes platform solutions and provides investment counselling to 360 ONE's Key Clients. For these clients, he brings to bear his rich experience of managing UHNI clients in the USA, ensuring portfolio solutions are in line with best practices across the world. In addition to the Key Client Group, he also takes care of the Portfolio Analytics unit. Previously, Himadri spearheaded our US business and was based in New York. Prior to that, he built our Family Office and Advisory Services proposition. Himadri is a management graduate from the prestigious Indian Institute of Management Calcutta (IIM-C) and holds an Economics degree from the Shri Ram College of Commerce, Delhi.

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- **The top ten group companies of the Portfolio Manager on turnover basis, as per the audited financial statements (FY 2021-2022) are as below:**

1. IIFL Home Finance Limited
2. 360 ONE Prime Limited (formerly known as IIFL Wealth Prime Limited)
3. Samasta Microfinance Limited
4. 360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited)
5. IIFL Facilities Services Limited
6. 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)
7. Livlong Insurance Broker Limited
8. IIFL Management Service Limited
9. 360 ONE Capital Pte Limited (Formerly known as IIFL Capital Pte Limited)
10. IIFL Wealth Capital Market Limited

- **Details of the services being offered:**

The Portfolio Manager broadly offers Discretionary, Non-Discretionary and Advisory services. The details of the services are given below.

The Portfolio Manager shall not accept from the client, funds or securities worth less than fifty lakh rupees. The minimum investment amount per client shall be applicable for new clients and fresh investments by existing clients. However, the said minimum investment amount shall not be applicable to Accredited Investors.

- A) Discretionary Services:** In case of Discretionary Services, the Portfolio Manager shall independently manage the funds and securities of the client in accordance with the provisions of Portfolio Management Service agreement. Portfolio manager shall invest funds of his clients in the securities listed or traded on a recognized stock exchange, money market instruments, units of Mutual Funds through direct plan and other securities as specified by Board from time to time, on behalf of the clients. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may invest up to 100% of the assets under management in unlisted securities. The choice as well as the timings of the investment decisions rest solely with the Portfolio Manager. The decisions made by Portfolio Manager for the Investment/Disinvestment shall be final and binding on the client. The Portfolio Manager's decision taken in good faith towards deployment of client's account can never be called in question or be open to review at any time during the currency of client's agreement.

**Notes:**

- Investment under Portfolio Management Services will be only as per the applicable SEBI Regulations.
- The un-invested amounts forming part of the Client's Assets may at the discretion of the Portfolio Manager be held in cash or deployed in Liquid fund schemes, Exchange Traded Index Funds, debt oriented schemes of Mutual funds, Gilt schemes, Bank deposits and other short-term avenues for Investment.
- The Portfolio Manager, with the consent of the Client, may lend the securities through an Approved Intermediary, for interest.
- All the strategies are based on client's investment objective(s) and should not be construed as any Scheme promoted by the Company.

- B) Non-Discretionary Services:** Under Non-Discretionary Services, the Portfolio Manager advises the Client about the various investments options and exit opportunities keeping in view the investment profile of

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

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

Under the Advisory function, Portfolio Manager advises on the client's portfolio with/without managing the funds/securities on specific or general instructions given by the client, as the case may be. Under the Advisory function, Portfolio Manager advises on Fund Management, Investment Management, Custody of Securities and other support services. Discretion to execute the transactions and responsibility for execution /settlement of the transactions lies solely with the Client. However, for Client(s) other than those falling under the category of Large Value Accredited Investors, the Portfolio Manager may advice to invest only up to 25% of the assets under management in unlisted securities in addition to the securities permitted for discretionary portfolio management services. In case of client(s) falling under the category of Large Value Accredited Investors, the portfolio manager may advice to invest up to 100% of the assets under management in unlisted securities.

**Direct onboarding:** Investors have the option to avail the portfolio management services directly from 360 ONE Portfolio. Details of our direct offering are available on our website. Clients can onboard with 360 ONE Portfolio directly by contacting us on our investor desk email ID - pmlservice@360.one.

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

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

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



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the Portfolio Manager under the SEBI Act and Regulations made there under relating to Portfolio Management Services.

## **E.) DETAILS OF SERVICES OFFERED BY THE PORTFOLIO MANAGER:**

The Portfolio Manager broadly offers Discretionary Portfolio Management, Non-Discretionary Portfolio Management and Advisory Services as described below.

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

Presently following investment approaches are being offered to the Investors:

Based on the Client's profile, overall investment objective and other relevant factors, the Portfolio of the Clients are at present managed under one or more of the following Investment Strategies.

### **A) Discretionary Services**

#### **i. 360 ONE Plus Mandate (Formerly known as IIFL ONE Mandate)**

##### **1. Strategy:**

<b>Investment Approaches</b>	<b>Strategy</b>
Equity	Equity
Conservative	Multi Asset
Balanced	Multi Asset
Aggressive	Multi Asset
Debt	Debt

**2. Investment Objective:** The investment objective is to generate long term capital appreciation for investors by constructing customized multi-asset class portfolios in line with client specific objectives and the desired asset allocation framework. The portfolio manager at its discretion shall allocate dynamically across equity and debt securities with the endeavor to generate long term returns for investors.

**3. Strategy Manager:** Mr. Gaurav Doshi

**4. Description of types of securities:** Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs and other eligible modes of investment as may be permitted by the Regulations from time to time.

Investments could also be made in listed, convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The debt category will include all types of debt securities including but not limited to Securitized Debt, Pass Through Certificates, Debentures (fixed, floating, Variable Coupon, and equity index

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/stocks /stocks basket linked), Bonds, Government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

In addition to the above, investments could also be made in equity & debt related alternate assets which will be a combination of commodity ETFs and funds, REITs & INVITs.

The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.

**5. Basis of selection of such securities as part of the investment approach:** A combination of factors such as a qualitative and quantitative model, review calls with fund managers and other industry experts in order to review and determine investment options.

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

**a.) Strategy 1: Equity**

Equity Allocation: 100%

**b.) Strategy 2: Conservative**

Equity Allocation: 0-50%  
Debt Allocation: 65-100%  
Alternates: 0-25%

**c.) Strategy 3: Balanced**

Equity Allocation: 0-65%  
Debt Allocation: 50-100%  
Alternates: 0-25%

**d.) Strategy 4: Aggressive**

Equity Allocation: 0-85%  
Debt Allocation: 35-100%  
Alternates: 0-25%

**e.) Strategy 5: Debt**

Debt Allocation: 100% of corpus

The above weightages are strategic allocation and the tactical asset allocation may differ depending on prevailing market conditions.

**7. Benchmark:**

Investment Approaches	Benchmark	Basis of selection of Benchmark
Equity	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation
Conservative	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment

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		universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Balanced	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Aggressive	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Debt	Nifty Medium to Long Duration Debt Index	The investment approach intends to have a mix of fixed income instruments with similar duration profile as that of benchmark

**8. Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

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

- a) Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- b) The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- c) The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affects stock markets.
- d) The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the marketplace and industry specific and macro-economic factors.
- e) The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.
- f) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- g) The NAV of the portfolio will react to the securities market movements. The investor could lose money over short periods due to fluctuation in the NAV of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.
- h) Although securities are listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- i) Trading in securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in particular security is not advisable. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.

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- j) ETF may trade above or below their NAV. The NAV of ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.
- k) Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. Because of the halt of trading in market the Portfolio may not be able to achieve the stated objective.
- l) The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison to the general securities markets.
- m) Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.
- n) Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of Mutual Fund in which the portfolio manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.
- o) Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- p) Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- q) The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid fund returns are not guaranteed, and it entirely depends on market movements.
- r) The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
- s) The returns on the Structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- t) In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities / AMC.

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- u) Investments in derivative/ futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mispricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and future and options market are nascent in India.
- v) The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Management Services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- w) Performance of the Portfolios may be impacted as a result of specific investment restrictions provided by the client.

ii. **360 ONE Plus Managed Solutions Aggressive (Formerly known as IIFL ONE Managed Solutions Aggressive)**

1. **Strategy:** Hybrid
2. **Investment Objective:** The investment objective is to construct standardized aggressive multi-asset class portfolio in line, with desired asset allocation framework. The strategy is suitable for clients with higher risk appetite. The portfolio manager at its discretion shall construct the portfolio using Debt & Equity Mutual Funds and ETFs.
3. **Strategy Manager:** Mr. Gaurav Doshi
4. **Description of Types of Securities:** Equity & Debt Mutual Funds, and ETFs. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.
5. **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and industry experts in order to review and determine investment options.
6. **Allocation of portfolio across types of securities:** If the equity instruments offer better returns than the opportunities available in debt market, then the portfolio manager may choose to have a lower or higher equity exposure. In such defensive circumstances the asset allocation will be as per the below:
  - Equity Range: Min 0% - Max 81%
  - Debt Range: Min 19% - Max 100%

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Managed Solutions Aggressive (Formerly known as IIFL ONE Managed Solutions Aggressive)	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.

7. **Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

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## iii. 360 ONE Plus Managed Solutions Balanced (Formerly known as IIFL-ONE Managed Solutions Balanced)

- 1) **Strategy:** Hybrid
- 2) **Investment Objective:** The investment objective is to construct standardized balanced multi-asset class portfolio in line, with desired asset allocation framework. The strategy is suitable for clients with moderate risk appetite. The portfolio manager at its discretion shall construct the portfolio using Debt & Equity Mutual Funds and ETFs.
- 3) **Strategy Manager:** Mr. Gaurav Doshi
- 4) **Description of Types of Securities:** Equity & Debt Mutual Funds, and ETFs. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.
- 5) **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and industry experts in order to review and determine investment options.
- 6) **Allocation of portfolio across types of securities:** If the equity instruments offer better returns than the opportunities available in debt market, then the portfolio manager may choose to have a lower or higher equity exposure. In such defensive circumstances the asset allocation will be as per the below:
  - Equity Range: Min 0% - Max 62%
  - Debt Range: Min 38% - Max 100%

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Managed Solutions Balanced (Formerly known as IIFL-ONE Managed Solutions Balanced)	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.

- 7) **Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

## iv. 360 ONE Plus Managed Solutions Conservative (Formerly known as IIFL-ONE Managed Solutions Conservative)

- 1.) **Strategy:** Hybrid
- 2.) **Investment Objective:** The investment objective is to construct standardized conservative multi-asset class portfolio in line, with desired asset allocation framework. The strategy is suitable for clients with lower risk appetite. The portfolio manager at its discretion shall construct the portfolio using Debt & Equity Mutual Funds and ETFs.
- 3.) **Strategy Manager:** Mr. Gaurav Doshi
- 4.) **Description of Types of Securities:** Equity & Debt Mutual Funds, and ETFs. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.

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- 5.) **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and industry experts in order to review and determine investment options.
- 6.) **Allocation of portfolio across types of securities:** If the equity instruments offer better returns than the opportunities available in debt market, then the portfolio manager may choose to have a lower or higher equity exposure. In such defensive circumstances the asset allocation will be as per the below:
- Equity Range: Min 0% - Max 43%
  - Debt Range: Min 57% - Max 100%

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Managed Solutions Conservative (Formerly known as IIFL-ONE Managed Solutions Conservative)	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.

- 7.) **Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

v. **360 ONE Plus Managed Solutions All Equity (Formerly known as IIFL-ONE Managed Solutions Equity)**

- 1.) **Strategy:** Equity
- 2.) **Investment Objective:** The investment objective is to construct standardized equity portfolios by primarily investing in equity & equity related mutual fund schemes. The portfolio manager at its discretion shall construct the portfolio using Debt & Equity Mutual Funds and ETFs. This Portfolio is suitable to Investors who like to invest for medium and long-term duration.
- 3.) **Strategy Manager:** Mr. Gaurav Doshi
- 4.) **Description of Types of Securities:** Equity Mutual Funds, and ETFs. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.
- 5.) **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and industry experts in order to review and determine investment options.
- 6.) **Allocation of portfolio across types of securities:** If the equity instruments offer better returns than the opportunities available in debt market, then the portfolio manager may choose to have a lower or higher equity exposure. In such defensive circumstances the asset allocation will be as per the below:
- Equity Range: Min 0% - Max 100%

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## 7.) Benchmark:

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Managed Solutions All Equity (Formerly known as IIFL-ONE Managed Solutions Equity)	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation

**8.) Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

## vi. **360 ONE Plus Managed Solutions – Global Equity (Formerly known as IIFL-ONE Managed Solutions Global Equity)**

### 1.) Strategy: Equity

**2.) Investment Objective:** The investment objective is to construct international equity portfolios aimed at providing long term returns by primarily investing in equity mutual funds offering a global exposure. The portfolio manager at its discretion shall construct the portfolio using equity and debt mutual funds (for temporary parking of money). A top-down focus on geographical and sectoral diversification will be used to make and manage the investments based on an allocation framework which will be approved by the Investment Committee. This portfolio is suitable for investors seeking to invest for a medium and long term duration.

**3.) Strategy Manager:** Mr. Gaurav Doshi

### 4.) Asset Allocation:

Equity Range: Min 0% to 100%

Debt Range: Min 0% to 100%

**5.) Description of type of securities:** Equity Mutual Funds. The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds.

**6.) Basis of selection of such securities as part of the investment approach :** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and industry experts in order to review and determine investment options.

## 7.) Benchmark:

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Managed Solutions – Global Equity (Formerly known as IIFL-ONE Managed Solutions Global Equity)	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalization

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



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vii. **360 ONE Plus - Enhancer Series (Formerly known as Wealth 360 ONE Plus - Enhancer Series):**

**1.) Strategy:**

Investment Approaches	Strategy
Passive Equity Enhancer	Equity
Dynamic Passive Equity	Equity
Active Equity Enhancer	Equity
Dynamic Active Equity	Equity
Growth Enhancer	Hybrid
Stable Enhancer	Hybrid
Defensive Enhancer	Hybrid

**2.) Investment Objective:** The objective and purpose of this strategy is to provide risk-adjusted long term returns by investing in a combination of direct Equity, Active & Passive Mutual Fund schemes and Exchange Traded Funds (“ETFs”). Temporary Investments would be undertaken in liquid mutual funds.

**3.) Strategy Manager:** Mr. Gaurav Doshi

**4.) Asset Allocation:**

Sub-Strategies	Investment Universe	Allocation Range
Passive Equity Enhancer	Mutual Funds & ETFs	0%-100% Equity
Dynamic Passive Equity	Mutual Funds & ETFs	0%-100% Equity
	Liquid/Overnight Funds	0%-25% Fixed Income
Active Equity Enhancer	Mutual Funds, ETFs & Direct Equity	0%-100% Equity
Dynamic Active Equity	Mutual Funds, ETFs & Direct Equity	0%-100% Equity
	Liquid/Overnight Funds	0%-25% Fixed Income
Growth Enhancer	Equity Mutual Funds & ETFs	0%-100% Equity
	Debt Mutual Funds & ETFs	0%-45% Fixed Income
Stable Enhancer	Equity Mutual Funds & ETFs	0%-100% Equity
	Debt Mutual Funds & ETFs	0%-65% Fixed Income
Defensive Enhancer	Equity Mutual Funds & ETFs	0%-100% Equity
	Debt Mutual Funds & ETFs	0%-85% Fixed Income

**5.) Description of types of securities:**

1. Direct equities
2. All categories of Mutual Funds
3. Exchange Traded Funds

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## 6.) Basis of selection of such securities as part of the investment approach:

- Beta: Market participation through investments in Index Funds and ETFs that are liquid, have relatively low cost, have historically low tracking error and a relatively large AUM.
- Alpha:
  - I) Selected based on the Fund Manager Pedigree, offering diversification with a low overlap against other Actively Managed Funds.
  - II) Funds should have relatively high active share, relatively lower cost compared to peers, relatively large AUMs and should potentially outperform their benchmark.
- Concentrated Direct Equity (Market Leaders):
  - i) Stock selection with large-cap bias focused on high-quality market leaders.
  - ii) Building a portfolio of concentrated ideas with relatively low volatility, relatively high active share and low churn.
- Factor / Sector: Tactical calls will be taken based on relative valuations vs benchmark with high active share potentially outperforming benchmark over a 12 to 24 months period.

## 7.) Benchmark:

Sub-Strategies	Benchmark(s)	Basis for selection of benchmark
Passive Equity Enhancer	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation
Dynamic Passive Equity	Nifty 50 TRI	
Active Equity Enhancer	Nifty 50 TRI	
Dynamic Active Equity	Nifty 50 TRI	
Growth Enhancer	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.
Stable Enhancer	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.
Defensive Enhancer	Nifty 50 Hybrid Composite Debt 50 50 Index	The hybrid benchmark will help in performance tracking of investment approach as the strategy will be investing in both equity & fixed income asset class based on market opportunity.

- ## 8.) Indicative tenure or investment horizon:
- Recommended time horizon for effective portfolio returns is 36 months or longer.

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**Risks associated with the investment approach for 360 ONE Plus Managed Solutions Aggressive (Formerly known as IIFL ONE Managed Solutions Aggressive), 360 ONE Plus Managed Solutions Balanced (Formerly known as IIFL-ONE Managed Solutions Balanced), 360 ONE Plus Managed Solutions Conservative (Formerly known as IIFL-ONE Managed Solutions Conservative), 360 ONE Plus Managed Solutions All Equity (Formerly known as IIFL-ONE Managed Solutions Equity), 360 ONE Plus Managed Solutions – Global Equity (Formerly known as IIFL-ONE Managed Solutions Global Equity) and 360 ONE Plus - Enhancer Series:**

- 1.) Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- 2.) The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- 3.) The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affects stock markets.
- 4.) The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the marketplace and industry specific and macro-economic factors.
- 5.) The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.
- 6.) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- 7.) The NAV of the portfolio will react to the securities market movements. The investor could lose money over short periods due to fluctuation in the NAV of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.
- 8.) Although securities are listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- 9.) Trading in securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in particular security is not advisable. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.
- 10.) ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.
- 11.) Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. Because of halt of trading in market the Portfolio may not be able to achieve the stated objective.
- 12.) The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.
- 13.) Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.
- 14.) Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of Mutual Fund in which the portfolio manager may invest from time to time. Normally the NAV of the liquid scheme increases

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with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.

- 15.) Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- 16.) The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid fund returns are not guaranteed, and it entirely depends on market movements.
- 17.) The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- 18.) Performance of the Portfolios may be impacted as a result of specific investment restrictions provided by the client.

## **Additional Risks associated with the investment approach for 360 ONE Plus Managed Solutions-Global Equity:**

- 1.) The Portfolio invests principally in Indian Rupee denominated instruments, which may be subject to exchange rate fluctuations. The repatriation of capital may be hampered by changes in regulations concerning exchange controls or political circumstances.
- 2.) The Portfolio will invest in mutual funds which holds securities of emerging markets. Investing in the securities of issuers in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for transactions.

## **viii. 360 ONE Plus Customized Discretionary Portfolio (Formerly known as CUSTOMIZED DISCRETIONARY PORTFOLIO)**

### **1.) Strategy:**

<b>Sub-Strategies</b>	<b>Strategy</b>
Conservative	Multi Asset
Balanced	Multi Asset
Aggressive	Multi Asset

- 2.) **Investment Objective:** The investment objective is to generate long term capital appreciation for investors by constructing customized multi-asset class portfolios in line with client specific objectives and the desired asset allocation framework. The portfolio manager at its discretion shall allocate

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dynamically across equity and debt securities with the endeavor to generate long term returns for investors.

### 3.) Strategy Manager: Gaurav Doshi

**4.) Description of types of securities:** Investments can be made in various equity and equity related securities including convertible/non-convertible and/or cumulative/non-cumulative preference shares, convertible and/or cumulative/non-cumulative debentures, bonds and warrants carrying the right to obtain equity shares, units of mutual funds, ETFs, AIFs and other eligible modes of investment as may permitted by the Regulations from time to time.

Investments could also be made in listed, convertible, non-convertible, secured, unsecured, rated or unrated or of any maturity, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, bilateral offers, placements, rights, offers, negotiated deals, etc.

The debt category will include all types of debt securities including but not limited to Securitised Debt, Pass Through Certificates, Debentures (fixed, floating, Variable Coupon, and equity index /stocks /stocks basket linked), Bonds, Government securities issued or guaranteed by Central or State Government, non-convertible part of partially convertible securities, corporate debt of both public and private sector undertakings, securities issued by banks (both public and private sector) and development financial institutions, , commercial papers, certificate of deposit, trade bills, treasury bills and other money market instruments, units of mutual funds, floating rate debt securities and fixed income derivatives like interest rate swaps, forward rate agreements etc. as may be permitted by the Act, Rules and/or Regulations, guidelines and notifications in force from time to time.

In addition to the above, investments could also be made in equity & debt related alternate assets which will be a combination of commodity ETFs and funds, Reits & INVITs.

The Portfolio Manager may from time to time invest the idle cash balance in units of Liquid Schemes of Mutual Funds

**5.) Basis of selection of such types of securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative models, review calls with fund managers and other industry experts in order to review and determine investment options

### 6.) Allocation of portfolio across types of securities.

The allocation shall be as below:

Investment Approach	Allocation %
Conservative	Equity- upto 35%, Debt- upto 65%, Alternates – upto 5%
Balanced	Equity- upto 50%, Debt- upto 50%, Alternates – upto 5%
Aggressive	Equity- upto 65%, Debt- upto 35%, Alternates – upto 5%

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## 7.) Benchmark:

Strategy	Benchmark	Basis of selection of Benchmark
Conservative	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Balanced	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Aggressive	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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

## ix. 360 ONE Plus Long Term Value Portfolio (Formerly known as LONG TERM VALUE PORTFOLIO)

1.) **Strategy:** Equity

2.) **Investment Objective:** The objective of the investment approach is to invest in large cap funds for Long Term wealth creation with minimum risk and maximum returns. The portfolio uses a focused, bottom up approach wherein not more than 15-20 stocks are selected. This is value-oriented fund with capitalization in the Large Cap funds.

3.) **Strategy Manager:** Gaurav Doshi

4.) **Description of types of securities:** Large Cap Equities

5.) **Benchmark:**

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Long Term Value Portfolio (Formerly known as LONG TERM VALUE PORTFOLIO)	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation

6.) **Allocation of portfolio across types of securities:** Equity Range: Min 0% - Max 100%

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

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

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

**x. 360 ONE Plus SELECT EQUITY PORTFOLIO (Formerly known as SELECT EQUITY PORTFOLIO)**

**1.) Strategy:** Equity

**2.) Investment Objective:** The objective of the investment approach is to create diversified multi-cap portfolio, consisting of a combination of growth and value stocks with Medium and Long Term objectives. The investment strategy is to invest in Banking, Pharmaceuticals and Infrastructure sectors. Portfolio shall invest in the sectors that witness long term improvements in their business environment leading to higher sustainable growth rates.

**3.) Strategy Manager:** Gaurav Doshi

**4.) Description of types of securities:** Diversified Equities and Equity related instruments

**5.) Allocation of portfolio across types of securities:** Equity Range: Min 0% - Max 100%

**6.) Basis of selection of such types of securities as part of the investment approach:** The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

**7.) Benchmark:**

Strategy	Benchmark	Basis of selection of Benchmark
360 ONE Plus Select Equity Portfolio (Formerly known as SELECT EQUITY PORTFOLIO)	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation

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

**Risks associated with the investment approach for 360 ONE Plus Customized Discretionary Portfolio (Formerly known as Customized Discretionary Portfolio), 360 ONE Plus Long Term Value Portfolio (Formerly Known As Long Term Value Portfolio) And 360 ONE Plus Select Equity Portfolio (Formerly Known As Select Equity Portfolio) :**

- i.)** Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
- ii.)** Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
- iii.)** The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus, there is no

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assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

xi. **360 ONE Plus Select Equity (Formerly known as IIFL-ONE Select Equity)**

**1.) Strategy:** Equity

**2.) Objective:** The strategy seeks to generate long-term capital appreciation from a portfolio of stocks that have growth potential greater than broad market average or those that are quoting below their intrinsic value. While this strategy could invest in companies across market capitalization segments, investments would predominantly be in large and large mid cap companies. The Strategy may also invest in Equity mutual funds, exchange traded funds and index funds. Funds could be moved between the various instruments from time to time. At times when market conditions dictate that funds be held in cash form, they may be deployed in debt / liquid / ultra-short bond funds / fixed maturity plans / liquid ETFs or any other debt schemes launched by mutual funds.

**3.) Investment Strategy:** The strategy will adopt a 'buy and hold' strategy in listed equity shares and other equity-related securities of companies. Stock selection would be on a 'bottom-up' approach, with investment decisions based on the growth potential or value arbitrage.

**4.) Strategy Manager:** Subbiah Somasundaram

**5.) Underlying Asset class:** Equity, Debt (temporary deployment) and related Mutual Funds schemes. The strategy will not invest in other asset classes, and also not take up any positions in the F&O segment, other than for purely hedging and for portfolio re-balancing purposes.

**6.) Asset Allocation:** Allocation to individual asset classes will be assigned based on portfolio manager's conviction, market conditions and keeping in mind the predesigned norms.

- Equity Range: Min 0% - Max 100%

**7.) Concentration:** The strategy will, under normal conditions, invest in a portfolio comprising up to 15 stocks. However, the number of stocks may vary both ways depending on market conditions.

**8.) Benchmark** NIFTY 50 TRI

**9.) Basis of selection of benchmark:** Broader benchmark covering top 50 of largest companies by market capitalization.

**10.) Suitable for:** The investor who is aware of the risks associated with investing in equity shares, and the relatively higher risks associated with illiquid shares of mid and small sized companies, but who is seeking higher than market returns offered by the same in an actively managed long-term portfolio.

**11.) Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative investment process, review calls with fund managers, company management and industry experts in order to review and determine investment options.

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



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xii. **360 ONE PLUS IMPLEMENTED SOLUTIONS (NR) STRATEGY (Formerly known as IMPLEMENTED SOLUTIONS (NR) STRATEGY)**

1.) **Strategy:** Multi Asset

2.) **Objective:** The objective of the Strategy is to generate long term capital appreciation by investing in multiple asset classes and investment security vehicles according to four different risk-return patterns through four sub-strategies. Long term appreciation will be generated by actively adjusting asset allocation among multiple asset classes. Each of the four sub-strategies will have varying asset allocations suitable for its specific investment objective. Each sub-strategy will be constructed based on a model which will take both quantitative and qualitative investment factors.

3.) **Strategy Manager:** Mr. Subbiah Somasundaram

4.) **Investment Strategy:** The Strategy proposes to invest in multiple asset classes which would comprise of

Sr. No.	Asset Class	Investment vehicles:
1	Equity	Direct exposure to Equities, Mutual Funds, Index Funds, Exchange Traded Funds, and Global Equity Feeder Funds domiciled in India
2	Debt	Mutual Funds, Exchange Traded Funds, Bonds (including Tax Free Bonds, Inflation Indexed Bonds, Zero Coupon Bonds, Deep Discount Bonds), Global Bond Feeder Funds domiciled in India
3	Alternates	REITs/InvITs, Commodity ETFs and Mutual Funds

5.) **Underlying Asset class:** Equity, Debt, Commodity ETFs and liquid and other Mutual Funds schemes. The strategy will not invest in other asset classes, and also not take up any positions in the F&O segment, other than for purely hedging purposes.

6.) **Asset Allocation:** Allocation to individual asset classes will be assigned based on fund manager's conviction, market conditions and keeping in mind the following norms.

Asset Class	Sub-Strategy 1 - Conservative		Sub-Strategy 2- Moderate		Sub-Strategy 3 – Moderately Aggressive		Sub-Strategy 4 – Aggressive	
	Low	High	Low	High	Low	High	Low	High
Money Market	0%	20%	0%	40%	0%	40%	0%	40%
Fixed Income	85%	100%	35%	90%	35%	70%	15%	55%
Equity	0%	15%	10%	35%	25%	60%	25%	85%
Alternates	0%	5%	0%	10%	0%	15%	0%	20%

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This is suited for investors with high risk appetite and relatively higher returns expectations. The primary portfolio objective is to outperform inflation on a post-tax basis over a 3-year period by around 500 basis points per annum. The portfolio return trajectory is expected to be less volatile compared to Nifty over a 3-year period. The secondary objective is to outperform Nifty on a 3-year basis with relatively lower volatility. The portfolio is suited for a client whose primary capital building objective, high savings rate and who does not expect cash flow from the portfolio for a 3-year period.

**7.) Benchmark:** NSE Multi Asset Index #1

**8.) Basis of selection of such securities as part of the investment approach:** combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative investment process, review calls with fund managers, company management and industry experts in order to review and determine investment options.

**9.) Basis of selection of benchmark:** This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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

xiii. **360 ONE PLUS IMPLEMENTED SOLUTIONS STRATEGY (Formerly known as IMPLEMENTED SOLUTIONS STRATEGY)**

**1.) Strategy:** Multi Asset

**2.) Objective:** The objective of the Strategy is to generate long term capital appreciation by investing in multiple asset classes and investment security vehicles according to four different risk-return patterns through four sub-strategies. Long term appreciation will be generated by actively adjusting asset allocation among multiple asset classes. Each of the four sub-strategies will have varying asset allocations suitable for its specific investment objective. Each sub-strategy will be constructed based on a model which will take both quantitative and qualitative investment factors.

**3.) Strategy Manager:** Subbiah Somasundaram

**4.) Strategy:** The Strategy proposes to invest in multiple asset classes which would comprise of:

Sr. No.	Asset Class	Investment vehicles:
1	Equity	Direct exposure to Equities, Mutual Funds, Index Funds, Exchange Traded Funds, and Global Equity Feeder Funds domiciled in India
2	Debt	Mutual Funds, Exchange Traded Funds, Bonds (including Tax Free Bonds, Inflation Indexed Bonds, Zero Coupon Bonds, Deep Discount Bonds), Global Bond Feeder Funds domiciled in India
3	Alternates	REITS/InvITs, Commodity ETFs and Mutual Funds

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- 5.) **Underlying Asset class:** Equity, Debt, Commodity ETFs and liquid and other Mutual Funds schemes. The strategy will not invest in other asset classes, and also not take up any positions in the F&O segment, other than for purely hedging purposes.
- 6.) **Asset Allocation:** Allocation to individual asset classes will be assigned based on fund manager's conviction, market conditions and keeping in mind the following norms.

Asset Class	Sub-Strategy 1 - Conservative		Sub-Strategy 2- Moderate		Sub-Strategy 3 – Moderately Aggressive		Sub-Strategy 4 – Aggressive	
	Low	High	Low	High	Low	High	Low	High
Money Market	0%	20%	0%	40%	0%	40%	0%	40%
Fixed Income	85%	100%	35%	90%	35%	70%	15%	55%
Equity	0%	15%	10%	35%	25%	60%	25%	85%
Alternates	0%	5%	0%	10%	0%	15%	0%	20%

This is suited for investors with high risk appetite and relatively higher returns expectations. The primary portfolio objective is to outperform inflation on a post-tax basis over a 3-year period by around 500 basis points per annum. The portfolio return trajectory is expected to be less volatile compared to Nifty over a 3-year period. The secondary objective is to outperform Nifty on a 3-year basis with relatively lower volatility. The portfolio is suited for a client whose primary capital building objective, high savings rate and who does not expect cash flow from the portfolio for a 3-year period.

Benchmark: Portfolio	Benchmark
Sub-Strategy 1 - Conservative	NSE Multi Asset Index #1
Sub- Strategy 2 - Moderate	NSE Multi Asset Index #1
Sub- Strategy 3 - Moderately Aggressive	NSE Multi Asset Index #1
Sub- Strategy 4 - Aggressive	NSE Multi Asset Index #1

- 7.) **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, qualitative and quantitative investment process, review calls with fund managers, company management and industry experts in order to review and determine investment options.

8.) **Basis of selection of benchmark:**

**Sub- Strategy 1 – Conservative:**

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

**Sub- Strategy 2 – Moderate:**

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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## **Sub- Strategy 3 – Moderately Aggressive:**

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

## **Sub- Strategy 4 – Aggressive:**

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

- 9.) Indicative tenure or investment horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is 36 months or longer

## **Risks associated with the investment approach for 360 ONE Plus Select Equity (Formerly known as IIFL-ONE Select Equity), 360 One Plus Implemented Solutions (NR) Strategy (Formerly known as IMPLEMENTED SOLUTIONS (NR) STRATEGY) and 360 One Plus Implemented Solutions Strategy (Formerly known as IMPLEMENTED SOLUTIONS STRATEGY) –**

1. Investments in the equity and debt instruments are subject to price fluctuation on daily basis. The volatility in the value of investments is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, corporate trends etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the value of the portfolio.
2. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
3. The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
4. The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.
5. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the value of the portfolio.

## **xiv. 360 ONE Plus Treasury Solutions (Formerly known as IIFL-ONE Treasury Solutions)**

### **1.) Strategy:** Debt

- 2.) Investment Objective:** The primary investment objective of the strategy is capital preservation & income generation and the secondary investment objective is capital appreciation by investing in both fixed income and related securities of all types (money market instruments, bonds, debt mutual funds, Listed REITs, Listed InVITs, Listed MLDs) & equity and related securities (equities, preference shares, equity mutual funds)

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**3.) Strategy manager:** Mr. Abhishek Soni (Strategy Manager w.e.f. May 01, 2022)

**4.) Asset allocation:**

Fixed income & related securities – 0% to 100%

**5.) Description of type of securities:** The strategy will invest in securities of the following nature

- Certificates of Deposit (CD)
- Commercial Paper (CP)
- Bonds & non – convertible debentures
- Debt mutual funds of all categories
- Pass through certificates (PTCs) & securitized instruments (SO)
- Listed REITs, InVITs & MLDs
- Non-convertible Preference shares

**6.) Basis of selection of such securities as part of the investment approach:** A combination of quantitative & qualitative factors for selecting the direct instruments and managers for MF, factors being evaluated based on in house research.

**7.) Benchmark:** Nifty Medium to Long Duration Debt Index

The investment approach intends to have a mix of fixed income instruments with similar duration profile as that of benchmark.

**8.) Risk management measures:**

- Money market instruments, bonds / debenture of a single issuer < 25%
- Equities of a single company < 25%
- Single Mutual Fund (Not applicable to money market / liquid fund / ETFs / Gilt funds with 10 year constant duration) <35%

**9.) Indicative tenure or investment horizon:** Recommended time horizon for effective portfolio returns is 36 months or longer

**10.) Risks associated with investment approach:**

- Investments in equities / bonds / MF, ETF, FoF are subject to price fluctuations on a daily basis. The volatility in value of investments may arise due to macro / micro factors and may adversely impact individual securities & the value of the portfolio
- It is possible that the client may receive zero or negative return (loss of principal) over the investment period
- There is no guarantee that the objective of the portfolio would be achieved
- It is not suitable for all categories of investors
- Performance of MF, FoF may be impacted by the decision of respective fund managers
- Fluctuation of interest rates in the market may impact the actual value / valuation provided by service providers and hence the value of the portfolio as well

**B) Non-Discretionary Services:**

Under Non-Discretionary Services, the Portfolio Manager advises the Client about the various investments options and exit opportunities keeping in view the investment profile of the client etc. The Client ultimately

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decides on the investments. The Portfolio Manager facilitates the clients in providing research, investments advice, guidance and trade execution at the client's request. The Portfolio Manager shall execute orders only as per the instructions received from clients. The deployment of the client's funds and securities by the Portfolio Manager on the instructions of the client is absolute and final.

## i.) **360 ONE Plus Consult PMS (Formerly known as IIFL-ONE Consult PMS)**

### 1.) **Strategy:**

Investment Approaches	Strategy
Equity	Equity
Conservative	Multi-Asset
Balanced	Multi-Asset
Aggressive	Multi-Asset
Debt	Debt

2.) **Investment Objective:** The investment objective is to generate long term capital appreciation for investors by constructing customized multi-asset class portfolios in line with client specific objectives and the desired asset allocation framework. The portfolio manager shall allocate dynamically across equity and debt securities with the endeavor to generate long term returns for investors. The Client retains full discretion to invest or not invest in securities recommended by the portfolio manager

3.) **Strategy Managers:** Mr. Gaurav Doshi, Mr. Joel Bhandare

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

In addition to the above, equity & debt related alternate assets which will be a combination of commodity ETFs and funds, Reits & INVITs.

5.) **Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, fundamental analysis, qualitative and quantitative models, constant review calls with fund managers and industry experts in order to review and determine investment options.

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## 6.) Allocation of portfolio across types of securities:

### **Investment Approach 1: Equity**

Equity Allocation: 100%

### **Investment Approach 2: Conservative**

Equity Allocation: 0-50%

Debt Allocation: 65-100%

Alternates: 0-25%

### **Investment Approach 3: Balanced**

Equity Allocation: 0-65%

Debt Allocation: 50-100%

Alternates: 0-25%

### **Investment Approach 4: Aggressive**

Equity Allocation: 0-85%

Debt Allocation: 35-100%

Alternates: 0-25%

### **Investment Approach 5: All Debt**

Debt Allocation: 100%

The above weightages are strategic allocation and the tactical asset allocation may differ depending on prevailing market conditions.

## 7.) Benchmark:

Investment Approach	Benchmark	Basis of selection of benchmark
Equity	Nifty 50 TRI	Broader benchmark covering top 50 of largest companies by market capitalisation.
Conservative	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Balanced	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.
Aggressive	NSE Multi Asset Index #1	This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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Debt	Nifty Medium to Long Duration Debt Index	The investment approach intends to have a mix of fixed income instruments with similar duration profile as that of benchmark
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**8.) Indicative Tenure or Investment Horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months

**9.) Risks associated with the investment approach:**

- Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- The investments made are subject to external risks such as war, natural calamities, and policy changes of local / international markets which affects stock markets.
- The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the marketplace and industry specific and macro-economic factors.
- The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the marketplace and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.
- The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- The NAV of the portfolio will react to the securities market movements. The investor could lose money over short periods due to fluctuation in the NAV of Portfolio in response to factors such as economic and political developments, changes in interest rates and perceived trends in securities market movements and over longer periods during market downturns.
- Although securities are listed on the Exchange(s), there can be no assurance that an active secondary market will develop or be maintained.
- Trading in securities on the exchange(s) may be halted because of market conditions or for reasons that in the view of the exchange Authorities or SEBI, trading in particular security is not advisable. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.
- ETF may trade above or below their NAV. The NAV or ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to availability of arbitrage possibility.
- Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of marker maker to arbitrage resulting into wider premium/ discount to NAV for ETFs. Because of halt of trading in market the Portfolio may not be able to achieve the stated objective.
- The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.



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- Frequent rebalancing of Portfolio will result in higher brokerage/ transaction cost. Also, as the allocation to other securities can vary from 0% to 100%, there can be vast difference between the performance of the investments and returns generated by underlying securities.
- Changes in interest rates may affect the returns/ NAV of the liquid/debt scheme of Mutual Fund in which the portfolio manager may invest from time to time. Normally the NAV of the liquid scheme increases with the fall in the interest rate and vice versa. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the NAV of the units of the liquid/ debt funds.
- Credit risk refers to the risk that an issuer of fixed income security may default or may be unable to make timely payments of principal and interest. NAV of units of the liquid scheme is also affected because of the perceived level of credit risk as well as actual event of default.
- Investments in the Market Linked Debentures (MLDs) are also subject to model risk. The MLDs are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.
- The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid fund returns are not guaranteed, and it entirely depends on market movements.
- The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
- The returns on the Structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities / AMC.
- Portfolio services using derivative/ futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mispricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and future and options market are nascent in India.
- The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Services. All Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- Performance of the Portfolios may be impacted as a result of specific investment restrictions provided by the client.

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## ii.) 360 ONE PLUS SELECT ALPHA PMS (Formerly known as IIFL WEALTH SELECT ALPHA PMS)

### 1.) **Strategy:** Equity

**2.) Investment objective:** The portfolio manager's objective is to generate long term capital appreciation by investing in up to 30 companies with long term sustainable competitive advantage and growth potential. The portfolio shall be invested in companies across Large, Mid and Small Caps. While the portfolio manager shall endeavor to maintain a Large Cap bias across portfolios, the actual market cap exposures shall be subject to market cycles and client specific portfolio risk appetite. Ensure a rational and risk-controlled approach to investing. The Portfolio Manager studies and monitors key macro-economic variables over multiple market cycles to identify sectors with strong business outlook. Invest in companies with good corporate governance supported by strong financial track record which reflects true and sustainable earnings growth. The Client retains full discretion to invest or not invest in securities recommended by the portfolio manager.

### 3.) **Strategy Manager-** Mr. Joel Bhandare

**4.) Description of types of securities:** Equity securities, Liquid schemes of Mutual Funds, Exchange Traded Funds (ETFs) and other permissible securities

### 5.) **Basis of selection of such types of securities as part of the investment approach:**

- a.) Creating a concentrated direct equity portfolio comprising of upto 30 stocks
- b.) **BOTTOM-UP APPROACH:** Stock selection will be based on a fundamental, bottom-up style, in businesses that:
  - a. have high quality earnings
  - b. are available at a reasonable price
- c.) **INVESTMENT UNIVERSE:** Stocks from within the Benchmark index (NSE200) and/or investment universe maintained by portfolio manager.)
- d.) **THREE STEP PROCESS:** of Elimination, Selection and Evaluation is carried out for every investment idea
  - a. **Elimination:** All stocks within the investable universe are screened, elimination criteria are: poor operating outlook, unsustainable or unpredictable earnings, weak management, unfavorable regulatory environment, high competition.
  - b. **Selection:** Out of the remaining companies left in the universe, companies with the following are selected: strong earnings growth, strong balance sheet, attractive valuation relative to peers
  - c. **Evaluation:** Understanding the company (annual reports, analyst meets, news etc), Quantitative Evaluation such as DCF, absolute/ relative valuations, Qualitative Analysis such as trend in margins, RoE and RoA.

### 6.) **Allocation of portfolio across types of securities:** The allocation shall be as follows:

Security	Allocation %
Equity securities, ETFs and other securities	Up to 100%
Liquid schemes of Mutual Funds	At the discretion of the portfolio manager

### 7.) **Benchmark:** Nifty 50 TRI

**8.) Basis of selection of benchmark:** Broader benchmark covering top 50 of largest companies by market capitalization

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

**10.) Risks associated with the investment approach:**

- a. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
- b. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
- c. The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- d. Risk Factors associated with investments in units of Mutual Funds:
  - Strategy Concentration Risk: To the extent that the Strategy may concentrate its investments in the Securities of certain companies/sectors, the Strategy will therefore be subject to the risks associated with such concentration. In addition, the Strategy may be exposed to higher levels of volatility and risk than would generally be the case in a more diverse fund portfolio of equity Securities. Such risks may impact the Strategy to the extent that it invests in particular companies/sectors even in cases where the investment objective is more generic. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the Strategy.
  - Volatility Risk: The equity markets and derivative markets are volatile, and the value of securities, derivative contracts and other instruments correlated with the equity markets may fluctuate dramatically from day to day. This volatility may cause the value of investment in the Strategy to decrease.
  - Operational Risks: The Portfolio Manager may not be able to execute trade as requested by the Clients, including but not limited to scenarios such as; trade failures, any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realization of sale proceeds and the registration of any securities transferred and any delays in receiving cash, temporarily halt in trading activities due to circuit filters, cash required for obligations arising from corporate actions of securities etc.

**iii.) 360 ONE Plus Advisory Portfolio (Formerly known as ADVISORY PORTFOLIO)**

**1.) Strategy:** Multi-Asset

**2.) Investment objective:** Long-term capital appreciation and/or income generation through investments in a combination of debt, equity both directly and through mutual fund schemes in line with Client's investment objective.

**3.) Description of types of securities:** Underlying Asset class - Equity, Debt, Gold, ETF and related Mutual Fund schemes of all types.

Scope: The Strategy will enable a client to invest in a combination of equity and equity-related, debt and debt-related instruments in line with his investment objective. The investments could be either directly into listed equity shares and related instruments or directly into bonds and related

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instruments or into mutual fund schemes. Funds could be moved between the various instruments from time to time. The Strategy will not permit clients to invest in derivative instruments other than for hedging purposes.

**4.) Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, fundamental analysis, qualitative and quantitative models, constant review calls with fund managers and industry experts in order to review and determine investment options.

**5.) Allocation of portfolio across types of securities:**

- Equity and equity-related (including mutual funds, stocks & equity ETFs) - 0% to 100%
- Debt, Gold and debt-related (including mutual funds & debt ETFs) - 0% to 100%

**6.) Appropriate benchmark to compare performance and basis for choice of benchmark:** NSE Multi Asset Index #1

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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

**8.) Risks associated with the investment approach**

- i. Investments in the equity and debt instruments are subject to price fluctuation on daily basis. The volatility in the value of investments is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, corporate trends etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the value of the portfolio.
- ii. Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
- iii. The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- iv. The returns from the types of securities in which a portfolio manager invest may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison of the general securities markets.
- v. Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the value of the portfolio.

**9.) Other salient features, if any.**

Withdrawal by client: Apart from any entry / exit loads that may be charged by the mutual fund schemes that are invested in, there will be no entry / exit fees or charges at the time of entry into or exit from the PMS.

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Part withdrawal shall be allowed for any amount subject to the fulfilment of the minimum balance criteria as defined for the Advisory Portfolio.

Portfolio is as per clients objectives and requirements and we have no discretion in the management of the portfolio under this Strategy.

## **iv.) 360 ONE PLUS ADVISORY PORTFOLIO II (Formerly known as ADVISORY PORTFOLIO II)**

### **1.) Strategy:** Multi-Asset

**2.) Investment objective:** Long-term capital appreciation and/or income generation through investments in a combination of debt, equity both directly and through mutual fund schemes in line with Client's investment objective.

**3.) Description of types of securities:** Underlying Asset class - Equity, Debt, Gold, ETF and related Mutual Funds schemes of all types.

Scope: The Strategy will enable a client to invest in a combination of equity and equity-related, debt and debt-related instruments in line with his investment objective. The investments could be either directly into listed equity shares and related instruments or directly into bonds and related instruments or into mutual fund schemes. Funds could be moved between the various instruments from time to time. The Strategy will not permit clients to invest in derivative instruments other than for hedging purposes.

**4.) Basis of selection of such securities as part of the investment approach:** A combination of factors such as a strong team possessing cumulative experience across asset classes, in house research expertise, fundamental analysis, qualitative and quantitative models, constant review calls with fund managers and industry experts in order to review and determine investment options.

### **5.) Allocation of portfolio across types of securities:**

- Equity and equity-related (including mutual funds, stocks & equity ETFs) - 0% to 100%
- Debt, Gold and debt-related (including mutual funds & debt ETFs) - 0% to 100%

**6.) Appropriate benchmark to compare performance and basis for choice of benchmark:** NSE Multi Asset Index #1

This multi-asset benchmark will assist in closely tracking the performance of the multi strategy portfolios as the investment universe is similar in nature to the underlying constituents of the index, therefore providing a relevant index to compare performance against.

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

### **8.) Risks associated with the investment approach**

Investments in the equity and debt instruments are subject to price fluctuation on daily basis. The volatility in the value of investments is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, corporate trends etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the value of the portfolio.

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

The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.

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

Interest rate movement in the debt market can be volatile leading to the possibility of movements up or down in the value of the portfolio.

## 9.) Other salient features, if any.

Withdrawal by client: Apart from any entry / exit loads that may be charged by the mutual fund schemes that are invested in, there will be no entry / exit fees or charges at the time of entry into or exit from the PMS.

Part withdrawal shall be allowed for any amount subject to the fulfilment of the minimum balance criteria as defined for the Advisory Portfolio.

Portfolio is as per clients' objectives and requirements and we have no discretion in the management of the portfolio under this Strategy.

## v.) **360 ONE PLUS Treasury Solutions (Non-discretionary) (Formerly known as IIFL-ONE Treasury Solutions (Non-Discretionary)**

### 1.) **Strategy:** Debt

2.) **Investment Objective:** The primary investment objective of the strategy is capital preservation & income generation and the secondary investment objective is capital appreciation by investing in both fixed income and related securities of all types (money market instruments, bonds, debt mutual funds, REITs, InVITs, MLDs)

3.) **Strategy manager:** Mr. Abhishek Soni (Strategy Manager w.e.f. May 01, 2022)

4.) **Asset allocation:** Fixed income & related securities – 0% to 100%

5.) **Description of type of securities:** The strategy will invest in securities of the following nature

1. Certificates of Deposit (CD)
2. Commercial Paper (CP)
3. Bonds & non – convertible debentures
4. Debt mutual funds of all categories
5. Pass through certificates (PTCs) & securitized instruments (SO)
6. REITs, InVITs & MLDs
7. Non-convertible Preference shares

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## 8. AIFs

**6.) Basis of selection of such securities as part of the investment approach:** A combination of quantitative & qualitative factors for selecting the direct instruments and fund managers for MF, factors being evaluated based on in house research.

**7.) Benchmark:** Nifty Medium to Long Duration Debt Index

The investment approach intends to have a mix of fixed income instruments with similar duration profile as that of benchmark.

**8.) Risk management measures:**

- Money market instruments, bonds / debenture of a single issuer < 25%
- Equities of a single firm < 25%
- Single Mutual Fund (Not applicable to money market / liquid fund / ETFs / Gilt fund with 10-year constant maturity) <35%

**9.) Indicative tenure or investment horizon:** Recommended time horizon for effective portfolio returns is 36 months or longer

**10.) Risks associated with investment approach:**

- Investments in equities / bonds / MF, ETF, FoF are subject to price fluctuations on a daily basis. The volatility in value of investments may arise due to macro / micro factors and may adversely impact individual securities & the value of the portfolio
- It is possible that the client may receive zero or negative return (loss of principal) over the investment period
- There is no guarantee that the objective of the portfolio would be achieved
- It is not suitable for all categories of investors
- Performance of MF, FoF may be impacted by the decision of respective fund managers
- Fluctuation of interest rates in the market may impact the actual value / valuation provided by service providers and hence the value of the portfolio as well

**vi.) 360 ONE PLUS CREDIT SOLUTIONS PORTFOLIO (Formerly known as CREDIT SOLUTIONS PORTFOLIO)**

**1.) Strategy:** Debt

**2.) Investment Objective:** The objective of the investment approach is to generate long term capital appreciation for investors from a growth-oriented portfolio of debt and debt related securities. The investment strategy is to invest in a debt portfolio which will focus on a universe of available debt and debt instruments. The instruments would include listed Market Linked Debentures (MLDs), Zero Coupon Bonds (ZCBs), debt mutual funds, perpetual bonds, subordinate bonds, Government Securities, RBI bonds, PSU bonds, Tax Free Bonds, Corporate Debentures, Bank Bonds, State Guaranteed bonds, money market instruments, commercial paper and Certificate of Deposits , secured NCD's and such other debt securities as permissible under the PMS Regulations.

**3.) Strategy Manager:** Mr. Gaurav Doshi

**4.) Description of types of securities:** All Debt securities and liquid mutual funds/liquid assets

**5.) Basis of selection of such securities as part of the investment approach:** May differ basis the customized strategy. A generic selection approach for debt instrument would be based on the credit

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

## 6.) Allocation of portfolio across types of securities:

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

## 7.) Benchmark: Nifty Medium to Long Duration Debt Index

The investment approach intends to have a mix of fixed income instruments with similar duration profile as that of benchmark

**8.) Indicative tenure or investment horizon:** Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is short to medium term with the portfolio duration being between 12 months to 36 months.

## 9.) Risks associated with the investment approach:

- i) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- ii) Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- iii) The Portfolio Manager may invest in non-publicly offered debt securities. This may expose the client's portfolio to liquidity risks.
- iv) The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus, there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved.

## 10.) Risk related to investment in Market Linked Debentures:

- Liquidity or Marketability Risk: Liquidity refers to the ease with which a security can be sold at or near to its valuation. Market linked debentures are structured products and are usually listed. The strategy invests in listed structured products as permitted by the Regulations. However, investors should note there is no active secondary market for market linked debentures in India. Investors should participate if their investment horizon matches the tenure of the debenture. In case of any unforeseen circumstances, if the liquidity is required, investors need to note that it will be available only at the terms of the issuers. The market linked debentures may not be bought back by the issuer at the valuation price suggested by the rating agency. Investors should note that, in case of a scenario where liquidity is required, considering the nature of this instrument, payouts may be impacted due to unavailability of a suitable buyer in the market. In such a case, the Portfolio Manager shall endeavor to liquidate the investment at the earliest and on a best effort basis. The



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gain/loss upon such liquidation shall be borne by the investor at the time of sale. In case time taken for liquidation exceeds 1 month, the Portfolio Manager may also undertake in-specie distribution of such investment.

- **Credit and counterparty risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). The Investments in market linked debentures are subject to credit risk of the issuer of the market linked debentures either due to default or their inability to make timely payments of principal and interest. The Portfolio valuation may also be affected accordingly and in case the issuer defaults, the investor may fail to receive principal amount. In case there is a credit default by the issuer, there is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such market linked debentures over the life and/or part thereof or upon maturity of the market linked debentures. Even where the market linked debentures are principal protected there is a risk that any failure by a counter party to perform obligations when due may result in the loss of all or part of the investment.
- **Credit Rating:** The credit rating of the market linked debentures does not cover the market risk associated with such instruments. The credit ratings of the Issuer may undergo a change due to any significant negative development affecting the issuer/issuer's group companies and associates or the industry. This could severely impact the Issuer's ability to access debt capital markets for its funding requirements.
- **Investment in instruments like market linked debentures** involves a fair measure of uncertainty of payoffs, as changes in the value of underlying Index can cause asymmetric changes in the market linked debenture value. Investors should note that, in case of a scenario where liquidity is required, considering the nature of this instrument payouts may be impacted due to unavailability of a suitable buyer in the market. The term "capital", if used, in relation to "Principal Protection" refers to the face value of the market linked debenture. Any Principal Protection is subject to the terms of the issuer documents, investments being held till maturity and the issuer's credit risk. The Portfolio Manager does not provide the Principal Protection.
- **Valuation Risk:** The Portfolio Manager may get an independent market derived valuation price for the market linked debentures as issued/released by an independent valuation agency(ies) and would rely on an estimate of the fair market value provided by them from time to time. The market value of the Portfolio may change as the result of changes in the actual or perceived credit standing of the Issuer.
- **Market Risk:** The value of the Portfolio, prior to the redemption and maturity date, may be affected by a number of factors, including but not limited to the level of the performance of the stocks, option volatility of the stock(s) in the basket, interest rates and time remaining to maturity. The return of the Portfolio is linked to performance of the underlying market linked investments like equity index or on single stocks or basket of stocks or mutual funds, futures and options or any other market linked investments. The fluctuations in the equity market can be significant. The returns on the market linked debentures may be lower than prevalent market interest rates or even be nil depending entirely on the movement in the underlying index and futures values as also that over the life of the market linked debentures (including the amount if any, payable on maturity, redemption, sale or disposition of the market linked debentures.) The market linked debenture holder may receive no income/return at all on the market linked debentures or less income/return than the market linked debentures holder may have expected or obtained by investing elsewhere or in similar investments.
- **Operational and System Risk:** Failure of any of the operational and system (information security) controls may hamper the ability of the Issuer to run its business operations, which in turn may have an adverse effect on the portfolio.
- **Issuer Risk:** If the issuer decides not to issue / allot the market linked debentures due to such reasons as it deems fit, no issue / allotment of market linked debentures will be made. If the Issuer chooses to revise the issue opening date/issue closing date/ date of allotment of the market linked

debentures, the Portfolio Manager retains the right to subscribe/refuse to the market linked debentures as per the new dates.

- At any time during the life of such market linked debentures, the value of the market linked debentures may be substantially less than its investment value. Further, the price of the market linked debentures may be affected in case the credit rating of the issuer company migrates.
- There is a possibility of the reference index getting dissolved or withdrawn by the index provider and in such a case the debenture-trustees upon request by the issuer of the market linked debentures may modify the terms of issue of market linked debentures, to track a different and suitable index and appropriate intimation will be sent to the market linked debentures holders.
- The securities are created based on mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. The risk factors mentioned above are not exhaustive and other risks might be faced. The business operations of the Issuer could also be affected by additional factors that are not presently known to the Issuer or the Portfolio Manager or that are currently considered to be immaterial to the Issuer's business and operations.

## **11.) Risks related to investments in debt and debt related instruments:**

- **Interest Rate Risk:** As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation Yield-to-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed income market. Money market securities, while relatively liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio(s) and may lead to the investment(s) incurring losses till the security is finally sold.
- **Credit Risk:** Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and / or interest payments on the security). Because of this risk corporate debt instruments are generally sold at a higher yield compared to similar tenor Government 118 Securities which are sovereign obligations. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities under a Portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- **Currency Risk:** The Portfolio Manager may also invest in overseas Fixed Income or other Securities/ instruments as permitted by the concerned regulatory authorities in India. To the extent that the portfolio of the Strategy will be invested in securities/ instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.
- The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated offering higher yields. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the Agreement.

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- The Portfolio Manager may invest in debt securities in which has also been invested by Alternative Investment Funds (AIFs). The investment would be at terms as may be decided by the Portfolio Manager for the alternative investment funds and the investments of Client would not be at more favourable terms than the alternative investment funds

## **12.) Risk Factors associated with investments in units of Mutual Fund:**

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

## **13.) Other important notes, if any**

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

## **F.) POLICY FOR UTILISATION OF SERVICES**

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

## **G.) POLICY FOR INVESTMENTS IN ASSOCIATE COMPANIES / RELATED PARTIES OF THE PORTFOLIO MANAGER:**

The Portfolio Manager may invest in shares, units of mutual funds, alternative investment funds, debt, deposits and other financial instruments issued or managed by the portfolio manager or any of the group / associate companies of the Portfolio Manager to the extent permitted under the SEBI Regulations.

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

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

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

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

- (C) The afore stated limit shall be applicable only to direct investments by the Portfolio Manager in equity and debt / hybrid securities of its own Associate Company / Related party.
- (D) No investment shall be made in unrated debt securities of Associate companies / Related Parties.
- (E) The limit stated above shall not be applicable for investments in mutual funds managed by any Associate Company / Related Party and /or itself by the Portfolio Manager.
- (F) Prior one-time consent shall be sought from the Clients by the Portfolio Manager for making any investment in securities issued by Associate Company / Related Party.
- (G) Any passive breach shall be rectified within a period of 90 days from the date of breach.
- (H) However, a client may provide prior positive consent to the Portfolio Manager for waiver from rebalancing of the portfolio to rectify any passive breach of investment limits.

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

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

In accordance with Regulation 22 (4) (da) of the Regulations, the details of investments made in securities of Associates and Related Parties of the Portfolio Manager have been annexed as **Annexure A**.

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

## H.) DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

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

### Policy approach

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

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

The Portfolio Manager shall periodically review the portfolios, evaluate the investor's investment goals, market conditions, risk tolerance and liquidity requirement and endeavour to maintain an appropriate portfolio mix to ensure diversification and meet the investor's long-term goals.

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

- a. Shares, scrips, stocks, bonds, debentures, debentures stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;
- b. Derivative(s);
- c. Units or any other instrument issued by any collective investment scheme;
- d. Security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- e. Government securities;
- f. Units or any other such instrument issued to the investors under any scheme of mutual fund, alternative investment fund, venture capital fund; However, the investment in units of Mutual funds is done only through Direct Plan
- g. Any certificate or instrument (by whatever name called), issued to any investor by any issuer being a special purposes distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;
- h. Such other instruments as may be declared by the Central Government to be securities;
- i. Rights or interest in securities;

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

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

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

Such investment in unlisted, unrated debt and hybrid securities shall be within maximum limit of 25% for investment in unlisted securities as stated under Reg.24(4) of the Regulations.

- (D) Investments of clients' funds shall be basis credit rating as may be specified by SEBI from time to time.

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

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

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

## **I.) RISK FACTORS:**

- (a) Investments in securities are subject to market risks, which include price fluctuation risks. There is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
- (b) The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.
- (c) The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (d) The performance in the equity portfolios may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.
- (e) The performance of the assets of the Client may be adversely affected by the performance of individual securities, changes in the market place and industry specific and macro-economic factors. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.

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- (f) The debt investments and other fixed income securities may be subject to interest rate risk, liquidity risk, credit risk, and reinvestment risk. Liquidity in these investments may be affected by trading volumes, settlement periods and transfer procedures.
- (g) Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.
- (h) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the client's portfolio to liquidity risks.
- (i) Engaging in securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/ counter party.
- (j) Portfolio services using derivative/ futures and options are affected by risk different from those associated with stock and bonds. Such investments are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives and futures and options. Some of the risks relate to mis-pricing on the improper valuation of derivatives and futures and options and the inability to correlate the positions with underlying assets, rates and indices. Also, the derivatives and future and options market is nascent in India.
- (k) The Portfolio Manager is not responsible or liable for any loss resulting from the operations of the Portfolio Services. All discretionary Portfolios under portfolio management are subject to change at any time at the discretion of the Portfolio Manager.
- (l) Investment decisions made by the Portfolio Manager may not always be profitable.
- (m) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy and asset allocation.
- (n) The arrangement of pooling of funds from various clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.
- (o) In case of investments in schemes of Mutual Funds/Alternative Investment Funds & Venture Capital Funds, the Client shall bear the recurring expenses and performance fee, if any, of the Portfolio Management Services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.
- (p) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
- (q) The investment objectives of one or more of the investment profiles could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the client's assets to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks.
- (r) The portfolio manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client's portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the Company

The Portfolio Manager may utilize the services of the Group Companies and / or any associate company established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The group and associate companies of the

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Portfolio Manager are engaged in providing various financial services and in connection with the investments made or advised by the Portfolio manager, the said group companies may receive fees or remuneration in the form of arranger fees, distribution fee, depository fee, referral fee, management fee, trustee fee, commission, brokerage, transaction charges, underwriting charges and other fees. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

## Specific Risk Factors

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

- **Market Risk**

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

- **Market Trading Risks**

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

Lack of Market Liquidity:

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

ETF may Trade at Prices other than NAV:

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

- **Regulatory Risk**

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

- **Asset Class Risk**

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

- **Performance Risk**

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



# DISCLOSURE DOCUMENT

- **Interest Rate Risk**

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

- **Credit Risk**

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

- **Model Risk**

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

- **Investments in Derivative Instruments**

As and when investments are made in derivative instruments, there are risk factors and issues concerning the use of derivatives that the investors should understand. Derivative products are specialized instrument that require investment technique and risk analysis different from those associated with stocks. The use of derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivative requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "Counter party") to comply with the terms of the derivative contract. However, 360 One Portfolio shall not leverage the portfolio for investment in derivatives. Other risks in using derivatives include but are not limited to:

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

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

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

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

# DISCLOSURE DOCUMENT

- **Illiquidity Risk**

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

- **Zero Return Risk**

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

- **Redemption Risk**

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

- **Risk of Real Estate investment**

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

#### **Risk Factors associated with investments in Liquid Funds:**

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.

Liquid fund returns are not guaranteed, and it entirely depends on market movements.

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

- a. Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- b. Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of

# DISCLOSURE DOCUMENT

time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

- c. The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss.
- d. The Issuer of equity index linked securities or any of its Agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of 'The Issuer of index linked securities' or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of 'The Issuer of index linked securities' or any of its Agents;
- e. The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;
- f. The returns on the Structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments.
- g. The return on investment in securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly.
- h. In equity index linked securities, in the event of any discretions to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or if for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities / AMC;
- i. There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity, of the securities.
- j. At any time during the life of such securities, the value of the securities may be substantially less than its redemption value. Further, the price of the securities may go down in case the credit rating of the Company or issuer goes down.
- k. The securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities.
- l. The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind.
- m. The Issuer of equity index linked securities or any of its Agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

# DISCLOSURE DOCUMENT

## J.) CLIENT REPRESENTATION:

Details of clientele and funds managed-

As on June 30, 2023

Category of clients	No. of Accounts	Funds managed in Discretionary Services	Funds managed In Non-Discretionary Services
Associates/group companies	2	26.77	3.89
<b>Others</b>		-	-
Other than Corporate	1507	4,100.25	12,862.58
Corporate	392	4,136.84	5,141.82
<b>Total</b>	<b>1901</b>	<b>8,263.86</b>	<b>18,008.29</b>

As on March 31, 2023

(Rupees in Crores)

Category of clients	No. of Accounts	Funds managed in Discretionary Services	Funds managed In Non-Discretionary Services
Associates/group companies	2	24.96	3.85
<b>Others</b>			
Other than Corporate	1506	4,979.10	12,499.62
Corporate	374	4,083.09	4,662.85
<b>Total</b>	<b>1882</b>	<b>9,087.14</b>	<b>17,166.32</b>

As on March 31, 2022

(Rupees in Crores)

Category of clients	No. of Accounts	Funds managed in Discretionary Services	Funds managed In Non-Discretionary Services
Associates/group companies	2	42.83	4.21
<b>Others</b>			
Other than Corporate	1422	5,059.90	11,076.67
Corporate	319	3,073.99	4,376.70
<b>Total</b>	<b>1743</b>	<b>8,176.71</b>	<b>15,457.58</b>

As on March 31, 2021

(Rupees in Crores)

Category of clients	No. of Accounts	Funds managed in Discretionary Services	Funds managed In Non-Discretionary Services
Associates/group companies	0	0	0
<b>Others</b>			
Individual	1201	4421.96	9175.25
Corporate	294	3,288.00	4,090.00

# DISCLOSURE DOCUMENT

<b>Total</b>	<b>1495</b>	<b>7709.97</b>	<b>13265.25</b>
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**(ii) Disclosure in respect of transactions with related parties pertaining by the Portfolio Manager as per audited Balance sheet as on March 31, 2023**

Related party disclosures for the year ended March 31, 2023

**a) List of Related Parties:**

<b>Nature of relationship</b>	<b>Name of party</b>
<b>Director/ Key Managerial Personnel</b>	Mr. Yatin Shah, Director
	Mr.Himadri Chatterjee, Whole Time Director
	Mr. A Pramod Kumar, Whole Time Director
	Mr. Labhesh Doshi, Company Secretary
<b>Holding Company</b>	360 ONE WAM Limited (formerly known as IIFL Wealth Management Limited)
<b>Fellow Subsidiaries</b>	360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited) #
	360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited)
	360 ONE Investment Adviser and Trustee Services Limited (Formerly known as IIFL Investment Adviser and Trustee Services Limited)
	360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)
	360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)#
	360 ONE IFSC Limited (Formerly known as IIFL Wealth Securities IFSC Limited)
	IIFL Wealth Capital Markets Limited (Formerly known as L & T Capital Markets Limited) (IIFL Wealth Capital Markets Limited merged with 360 ONE Prime Limited w.e.f. 14th March 2023) #
	IIFL Wealth Altiore Limited (Formerly known as IIFL Altiore Advisors Limited) (IIFL Wealth Altiore Limited merged with 360 ONE WAM Limited w.e.f. 3rd March, 2023)
	360 One Foundation (Formerly known as IIFLW CSR Foundation)
	360 ONE Private Wealth (Dubai) Private Limited (Formerly known as IIFL Private Wealth Management (Dubai) Limited)
	360 ONE INC. (Formerly known as IIFL Inc.)
	360 ONE Asset Management (Mauritius) Limited (Formerly known as IIFL Asset Management (Mauritius) Limited)
	360 ONE CAPITAL PTE. Limited (formerly known as IIFL Capital Pte. Limited )
	360 ONE Capital (Canada) Limited (Formerly known as IIFL Capital (Canada) Limited)
	MAVM Angels Network Private Limited (w.e.f. 15th November 2022)

# Includes transactions & balances with "IIFL Wealth Capital Markets Ltd" and "360 ONE Prime Ltd" (Formerly known as IIFL Wealth Prime Ltd) pertaining to its Distribution Business which has demerged to 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited) Ltd vide a Composite Scheme of Arrangement approved by National Company Law Tribunal, Mumbai Bench ("NCLT")[order date January 27,2023 and effective date March 14, 2023]

**b) Significant Transactions with Related Parties**

# DISCLOSURE DOCUMENT

Nature of Transaction	Director/Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b><u>Remuneration Paid to Director/KMP</u></b>					
Salaries and other employee benefits to whole time directors and other KMPs	45.61	-	-	-	45.61
	(42.58)	-	-	-	(42.58)
<b><u>Dividend Paid</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(349.27)	-	-	(349.27)
<b><u>Subscription of NCD</u></b>					
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	1,146.72	-	1,146.72
	-	-	(876.77)	-	(876.77)
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(249.51)	-	-	(249.51)
<b><u>Purchase of Investment:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL)	-	100.22	-	-	417.87

# DISCLOSURE DOCUMENT

Wealth Management Limited)					
	-	(0.00#)	-	-	-
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	317.66	-	317.66
	-	-	-	-	-
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	3,413.46	-	3,413.46
	-	-	(437.56)	-	(437.56)
<b><u>Sell of Investment:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	1,487.80	-	-	1,487.80
	-	(660.27)	-	-	(660.27)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	6,425.10	-	6,425.10
	-	-	(21,123.95)	-	(21,123.95)
<b><u>ICD Given:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(2,270.00)	-	-	(2,270.00)

# DISCLOSURE DOCUMENT

360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	-	-	-
	-	-	(500.00)	-	(500.00)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	50.00	-	50.00
	-	-	(10.00)	-	(10.00)
<b><u>ICD Received Back :</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(2,270.00)	-	-	(2,270.00)
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	-	-	-
	-	-	(500.00)	-	(500.00)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	50.00	-	50.00
	-	-	(10.00)	-	(10.00)
<b><u>ICD Taken:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	19,250.00	-	-	19,250.00
	-	(34,015.00)	-	-	(34,015.00)



# DISCLOSURE DOCUMENT

360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	11,180.03	-	11,180.03
	-	-	(16,780.00)	-	(16,780.00)
#360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)			1,040.00		1,040.00
			-		-
# IIFL Wealth Capital Markets Limited	-	-	-	-	-
	-	-	(1,020.00)	-	(1,020.00)
<b><u>ICD Repaid:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	20,150.00	-	-	20,150.00
	-	(33,115.00)	-	-	(33,115.00)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	11,180.03	-	11,180.03
	-	-	(16,780.00)	-	(16,780.00)
# IIFL Wealth Capital Markets Limited			-		-
			(1,020.00)		(1,020.00)
#360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	1,031.00	-	1,031.00
	-	-	-	-	-

# DISCLOSURE DOCUMENT

Nature of Transaction	Director/Key Managerial Personnel	Holding Company	Fellow Subsidiaries	Other Related Parties	Total
<b><u>Interest Income on ICD :</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(1.06)	-	-	-(1.06)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-	-
	-	-	(0.00#)	-	-
<b><u>Interest Income on NCD :</u></b>					
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	15.00	-	-15.00
	-	-	(44.78)	-	-(44.78)
<b>#360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)</b>					
<b># IIFL Wealth Capital Markets Limited</b>					
<b><u>Interest Expenses on ICD :</u></b>					
360 ONE WAM Limited (Formerly known as IIFL)	-	62.73	-	-	-62.73

# DISCLOSURE DOCUMENT

Wealth Management Limited)				
	-	(91.92)	-	-(91.92)
# 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	13.58	-13.58
	-	-	-	-
# IIFL Wealth Capital Markets Limited	-	-	-	-
	-	-	(1.87)	(1.87)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	15.55	-15.55
	-	-	(33.94)	-(33.94)
<b><u>Fees/Expenses incurred/Reimbursed For Services Procured</u></b>				
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	9.72	-	-9.72
	-	(9.06)	-	-(9.06)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	-	-
	-	-	(165.74)	-(165.74)
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	29.97	-29.97

# DISCLOSURE DOCUMENT

	-	-	(74.85)		-(74.85)
360 ONE Investment Adviser and Trustee Services Limited (Formerly IIFL Investment Adviser and Trustee Services Limited)	-	-	5.85		-5.85
	-	-	(11.56)	-	-(11.56)
# 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	178.64		-178.64
	-	-	(0.09)		-(0.09)
<b><u>Corporate Social Responsibility Expense (CSR)</u></b>					
360 ONE Foundation (Formerly IIFLW CSR Foundation)	-	-	12.96		-12.96
	-	-	(2.61)		-(2.61)
<b><u>Fees Earned including Brokerage for services rendered</u></b>					
Iifl Management Services Limited	-	-			
	-	-		(3.55)	-(3.55)
<b><u>Allocation / Reimbursement of expenses Paid:</u></b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	12.71			-12.71

# DISCLOSURE DOCUMENT

	-	(16.47)	-	-	(16.47)
<b>Other Funds Received:</b>	-	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	0.40	-	-	-0.40
	-	-	-	-	-
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.81	-	-0.81
	-	-	(1.43)	-	-(1.43)
# 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	0.84	-	-0.84
	-	-	-	-	-
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	-	-	-
	-	-	(2.70)	-	(2.70)
<b>Other Funds Paid:</b>	-	-	-	-	-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	15.80	-	-	15.80
	-	(11.77)	-	-	(11.77)

# DISCLOSURE DOCUMENT

360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.01	-	0.01
	-	-	(0.25)	-	-(0.25)
360 ONE Investment Adviser and Trustee Services Limited (Formerly IIFL Investment Adviser and Trustee Services Limited)	-	-	0.60	-	0.60
	-	-	(0.19)	-	(0.19)
# 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	-	-	-
	-	-	(0.31)	-	(0.31)
360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	0.40	-	0.40
	-	-	(0.16)	-	(0.16)

(₹ Millions)

<b>Sundry Payables</b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	10.00	-	-	10.00
	-	(16.16)	-	-	(16.16)
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)	-	-	0.85	-	0.85
	-	-	(57.63)	-	(57.63)

# DISCLOSURE DOCUMENT

360 ONE Asset Management Limited (Formerly IIFL Asset Management Limited)	-	-	5.01	-	5.01
	-	-	(15.31)	-	(15.31)
360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited)	-	-	51.45	-	51.45
	-	-	-	-	-
360 ONE Investment Adviser and Trustee Services Limited (Formerly IIFL Investment Adviser and Trustee Services Limited)	-	-	1.29	-	1.29
	-	-	(5.24)	-	(5.24)
<b>Borrowings done through Debt Securities</b>					
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)		7.18	-		7.18
			-		-
<b>Investment held in NCDs/Debt Securities</b>					
360 ONE Prime Limited (Formerly known as IIFL Wealth Prime Limited)			179.99		179.99
			(1,373.99)		(1,373.99)
360 ONE WAM Limited (Formerly known as IIFL		21.94			21.94

# DISCLOSURE DOCUMENT

Wealth Management Limited)					
<b>Sundry Receivables :</b>					
# IIFL Wealth Capital Markets Limited	-	-	-	-	-
	-	-	(0.01)	-	(0.01)
<b>Broking a/c balance:</b>					
360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited	-	-	53.29	-	53.29
	-	-	(68.27)	-	(68.27)
<b>ICD Taken:</b>					
# 360 ONE Distribution Services Limited (formerly known as IIFL Wealth Distribution Services Limited			9.00		9.00
			-		-
360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited)	-	-	-	-	-
	-	(900.00)	-	-	(900.00)

(0.00 # Includes Amount Less than ₹ 10,000/-)

( Amount in Rs.)



# DISCLOSURE DOCUMENT

## k.) Financial Performance of Portfolio Manager Based on Audited Statement for The Year Ended March 31, 2023

Particulars	Amt (Rs. In Mn)
Revenue from Operations	1335.63
Profit before tax	446.20
Less/Add: (Tax Expenses)/ Benefit	40.64
<b>Profit/(Loss) after tax</b>	<b>405.56</b>

## L.) Portfolio Management Performance:

Please find enclosed as **Annexure B** the performance of the Portfolio Manager in the last 3 Years. Performance is calculated based on the TWRR method.

## M.) Audit Observations:

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

## N.) Nature of Costs and Expenses for Clients:

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

- a. **Management Fees:** Professional charges relate to the Portfolio management services offered to clients. The fee may be a fixed charge or a percentage of the quantum of funds managed and may be return based or a combination of any of these. Return based fees shall be calculated on "High Water Mark Principle".
- b. **Custodian/Depository Fees:** The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization, rematerialisation and other charges in connection with the operation and management of the depository accounts.
- c. **Registrar and transfer agent fee:** Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.

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- d. **Brokerage and transaction costs:** The brokerage charges and other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.
- e. **Certification and professional charges:** Charges payable for outsourced professional services like accounting, taxation and legal services, notarizations etc. for certifications, attestations required by bankers or regulatory authorities.
- f. **Incidental Expenses:** Charges in connection with the courier expenses, stamp duty, service tax, depository charges, postal, telegraphic, opening and operation of bank accounts etc.
- g. **Other charges:** As may be mutually agreed between client and Portfolio Manager.

## Manner of payment:

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

Particulars	Non-Discretionary PMS	Discretionary PMS
Management Fees	Combination of Fixed Fee and Carry <b>Fixed Fee:</b> Upto 2.5% p.a. on Avg AUM <b>Carry:</b> Upto 20% profit share above hurdle	Combination of Fixed Fee and Carry <b>Fixed Fee:</b> Upto 2.5% p.a. on Avg AUM <b>Carry:</b> Upto 20% profit share above hurdle
Custody Charges	1.35 bps	1.35 bps
Safe Custody charges (on AUC)	Minimum Rs. 125/-	Minimum Rs. 125/-
Transaction Charges	At actuals	At actuals
Brokerage	At actuals	At actuals
SEBI Charges	0.05 Bps (on AUC)	0.05 Bps (on AUC)
Other OPE	At actuals	At actuals
DP Charges	At actuals	At actuals

**Note:** Any other charges, if applicable, shall be on actual basis.

All statutory duties and levies including GST at applicable rates shall be levied on the charges mentioned above.

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## O.) Taxation

### Income Tax

#### i) **General:**

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

#### ii) **Tax Rates:**

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

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

Assessee	% of Income Tax (excluding applicable surcharge and health and education cess)
Individuals, Hindu Undivided Family ('HUF'), Association of Persons ('AOP'), Body of Individuals ('BOI'), artificial juridical person ('AJP')	Applicable slab rates
Domestic Company having turnover/gross receipt not exceeding INR 400 crore in FY 2019-20	25%
Partnership Firm [including Limited Liability Partnership ('LLP')]; and Domestic Company having turnover/gross receipt exceeding INR 400 crore in FY 2019-20	30%
Foreign Company	40%

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

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

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

- a) As per the new section 115BAC in the IT Act, the Individual and HUF will have an option to pay tax on its total income at the reduced slab rates. The income would, however, have to be computed without claiming prescribed deductions or exemptions.

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- b) As per the provisions of section 87A of the IT Act, an individual resident is entitled to a tax rebate of INR 12,500 or 100% of income-tax, whichever is less. The rebate shall be available to individual taxpayers having total income upto INR 5,00,000. However, for assessee chargeable to tax under section 115BAC(1A) of the IT Act, rebate should be to the extent of INR 25,000 where total income does not exceed INR 7,00,000.
- c) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is INR. 3,00,000.
- d) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is INR. 5,00,000.
- e) Surcharge on income-tax is applicable as stated in para 2.3 below. Additionally, health and education cess, at the rate of 4% is leviable on the aggregate of income-tax and surcharge.

2.3. Surcharge rates are provided below:

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

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

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

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

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Note: For a Domestic Company exercising the option under section 115BAA / section 115BAB of the IT Act, the rate of surcharge shall be 10% of the income-tax.

\*Additionally, health and education cess, at the rate of 4% is leviable on the aggregate of income-tax and surcharge.

### iii) **Tax deduction at source:**

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

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

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

### iv) **Advance tax instalment obligations:**

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

### v) **Tax implications for the Investors:**

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

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

#### 5.1. Dividend income on shares

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

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

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

## 5.2. Income distributed by Mutual Funds.

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

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

## 5.3. Interest income on debt securities

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

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

## 5.4. Gains on sale of securities

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

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

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

- Where the assessee opts to treat the listed shares/ securities as stock-in-trade, the income arising from the transfer of such listed shares/ securities would be treated as business income.
- If the assessee desires to treat the gains arising from transfer of listed shares/ securities held for a period of more than 12 months as capital gains, the same shall not be put to dispute by the Assessing Officer.

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

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<sup>1</sup> Circular no. 6/ 2016 dated February 29, 2016

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

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

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

## 5.4.1. Gains characterised as capital gains

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

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

*\*Specified Mutual Funds means a mutual fund (acquired on or after the 1<sup>st</sup> day of April, 2023) by whatever name called, where not more than 35% of its total proceeds is invested in equity shares of a domestic companies.*

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

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

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

<sup>2</sup> Letter F.No.225/12/2016/ITA.II dated May 2, 2016

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



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	debentures) [refer note 7]			
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## Note 1:

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

## Note 2:

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

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

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

## Note 3:

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

## Note 4:

Without considering foreign exchange benefit

## Note 5:

Without considering indexation and foreign exchange fluctuation benefit

## Note 6:

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

## Note 7:

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

### 5.4.2. Gains are characterised as 'Business income'

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

### 5.4.3. Proceeds on buy-back of shares by company

As per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a distribution tax at the rate of 20% (plus applicable surcharge and health and education cess) is

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payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

## vi) **Other tax considerations**

### 6.1. Foreign Portfolio Investors ('FPI')

As per section 2(14) of the IT Act, any investment in securities made by FPIs in accordance with the regulations made under the Securities and Exchange Board of India is treated as a capital asset. Consequently, any income arising from transfer of securities by FPIs are to be treated as capital gains.

Under section 115AD of the IT Act, long-term capital gains arising from transfer of securities shall be taxable at the rates mentioned in paragraph para 5.4 above.

As per section 196D of the IT Act, no deduction of tax shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to a FPI.

Under section 115AD of the IT Act, interest income received by FPIs should be taxable at 20% plus applicable Surcharge and Health and Education cess. However, interest referred to in section 194LD of the IT Act should be taxable at 5% plus applicable Surcharge and Health and Education cess, subject to fulfilment of conditions.

### 6.2. Non-resident investors (including FPI):

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

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

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

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

As per section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('Treaty') between India and the country of residence of the non-resident investor (subject to GAAR provisions discussed below).

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However, no assurance can be provided that the Treaty benefits will be available to the non-resident investor or the terms of the Treaty will not be subject to amendment or reinterpretation in the future. The taxability of such income of the non-resident investor, in the absence of Treaty benefits or where the non-resident investor is from a country with which India has no Treaty, would be as per the provisions of the IT Act.

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

The income-tax authorities may grant Treaty benefit (after verifying the TRC) based on the facts of each case.

## 6.3. STT:

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

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

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

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

As per the provisions of section 50CA of IT Act, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value should be deemed to be the full value

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of sale consideration for computing the capital gains for such unquoted shares. The CBDT has notified rules for computation of FMV for the purpose of section 50CA of the IT Act.

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

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

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

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

## 6.5. General Anti Avoidance Rules ('GAAR'):

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

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

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

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

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

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

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

## 6.6. FATCA Guidelines:

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

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

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

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

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

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exclusively on behalf of one or more closely related enterprises. India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive.

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

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

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

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

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

## 6.8. Minimum Alternate Tax:

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

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

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

## 6.9. Alternate Minimum Tax:

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

# DISCLOSURE DOCUMENT

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

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

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

## 6.11. Bonus stripping:

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

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

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

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

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

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## 6.14. Goods and Services Tax:

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

## **P.) ACCOUNTING POLICY / VALUATIONS:**

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

- (a) Investments in listed equity will be valued at the closing market prices on the National Stock Exchange (“NSE”). If the Securities are not traded on the NSE on the valuation day, the closing price of the Security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the securities that are not traded on the valuation date, the last available traded price shall be used for the valuation of securities or in accordance with the Valuation Policy. Investments in units of mutual funds shall be valued at the NAV of the previous day or at the last available NAV declared for the relevant Scheme on the date of the report.
- (b) Unlisted Equity / Convertible Preference Shares will be valued at Fair Market Value. Such fair value may be determined by following an approach defined in the Valuation Policy, generally following a comparison with peers, or by taking a comparable transaction, or where the issuer has come out with an IPO, at the lower band of the IPO price, or it may be valued by an external agency appointed by the Portfolio Manager, on a periodic basis.
- (c) Debt instruments would be valued based on prices received from an external valuation agency or in accordance with guidelines prescribed by APMI from time to time.
- (d) Realised gains/losses will be calculated by applying the First In First Out principle.
- (e) Unrealized gains/losses are the differences between the current market value/Net Asset Value and the historical cost of the Securities.
- (f) Dividends on shares will be accounted for on ex-dividend date and dividends on units of mutual funds will be accounted for on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted for on accrual basis. The interest on debt instruments will be accounted for on accrual basis.
- (g) In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase will not be treated as a cost of purchase but will be debited to Interest
- (h) For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions. Specifically, in case of certain option contracts, market quotes are not easily available through the exchange due to low liquidity. Considering this scenario, Portfolio Manager has appointed an external agency to do the valuation based on the latest reported trades and market accepted methodologies. External agency will share the quotes on daily basis, in case such a quote is not available, previous day quotes will be used by the Portfolio Manager. Maximum validity of such quote will be 30 days
- (i) Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale will not be treated as an addition to sale value but will be credited to Interest Recoverable



# DISCLOSURE DOCUMENT

Account.

- (j) Transactions for purchase or sale of investments will be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- (k) Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.
- (l) The cost of investments acquired or purchased will include brokerage, stamp duty charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.
- (m) The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting provided the same is mutually agreed between them on a case to case basis.
- (n) Purchases are accounted for at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.
- (o) In case of Portfolio received from the Clients in the form of securities, this will be accounted for at previous day's closing price on NSE. Where the Client withdraws Portfolio in the form of securities, the same will be accounted on the date of withdrawal at the previous closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, previous day's closing price on BSE will be used for aforesaid accounting purpose.
- (p) Investments in the Managed accounts (Alternate investment funds and Venture Capital funds) will be valued at last available Net asset value declared by issuer.

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

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

## **Q.) INVESTOR SERVICES:**

### **a. Contact Information**

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

# DISCLOSURE DOCUMENT

Name: Mr. Harrison Ferreira  
Email: pmlservice@360.one  
Address: 360 ONE Portfolio Managers Limited  
360 ONE Centre, Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400 013, India,  
Tel: +91 22 48765405

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

You may register your grievances / complaints on SEBI Complaints Redress System (<https://scores.gov.in/scores/Welcome.html>)

## **b. Grievance Redressal and dispute settlement mechanism**

The Portfolio Manager has in place a dedicated system for addressing all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the Investor and the Portfolio Manager shall abide by the following mechanisms.

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/ or their respective representatives shall be settled in accordance with and subject to the provisions of The Arbitration and Conciliation Act, 1996, or any statutory requirement, modification or re-enactment thereof. Such Arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.

## **R.) ADDITIONAL DISCLOSURES:**

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

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

- (a) 360 ONE Portfolio and its group and associate companies are engaged in providing various financial services and for the said services (including the service for acquiring and sourcing the securities acquired/advised under PMS) the said companies may charge fees or remuneration in form of arranger fees, distribution fees, referral fees, advisory fees, management fees, trustee fees, commission, brokerage, transaction charges, underwriting charges, issue management fees and other fees.
- (b) 360 ONE Portfolio acts as an Investment Manager to 360 ONE Alternative Opportunities Fund (formerly known as IIFL Alternative Opportunities Fund) (Category III Alternative Investment Fund). Its associate companies act as Investment Manager and Trustee to Scheme(s) of Mutual Fund and Alternative Investment Funds in which Portfolio Manager may invest and accordingly they may earn management and trustee fees, for the same.
- (c) PMS trades may be done through 360 ONE Distribution Services Limited [Formerly known as IIFL Wealth Distribution Services Limited] or authorized group companies.

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


The transactions with 360 ONE Portfolio, associates or group companies will be done at arm's length and under normal course of investment transactions. Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. Any charges to self/associate shall not beat rates more than that paid to the non-associates providing the same service.

## S.) GENERAL:

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

## T.) SIGNATURES:

### For 360 ONE Portfolio Managers Limited

Name of Signatories	
Himadri Chatterjee Director	
Pramod Kumar A Director	

**Date:** July 20, 2023

**Place:** Mumbai

# DISCLOSURE DOCUMENT

## ANNEXURE A

### DETAILS OF INVESTMENTS MADE IN SECURITIES OF ASSOCIATES AND RELATED PARTIES OF THE PORTFOLIO MANAGER

(INR in crores)

Sr. No.	Investment Approach	Name of the Associate/Related party	Investment amount (cost of investment) as on last day of the previous calendar quarter	Value of investment as on the last day of the previous calendar quarter	Percentage of total AUM of strategy as on last day of the previous quarter
1	360 ONE Plus Consult PMS - Aggressive	360 ONE Portfolio Managers Limited	9.04	9.21	0.32%
2	360 ONE Plus Consult PMS - Aggressive	360 ONE WAM Ltd	2.06	2.30	0.08%
3	360 ONE Plus Consult PMS - Aggressive	IIFL Finance Ltd	0.88	0.86	0.03%
4	360 ONE Plus Consult PMS - Aggressive	360 ONE Prime Limited	26.13	27.25	0.96%
5	360 ONE Plus Consult PMS - Aggressive	SAMASTA MICROFINANCE LIMITED	2.00	3.28	0.12%
6	360 ONE Plus Consult PMS - Balanced	360 ONE Portfolio Managers Limited	11.17	11.58	0.14%
7	360 ONE Plus Consult PMS - Balanced	360 ONE WAM Ltd	8.15	8.89	0.10%
8	360 ONE Plus Consult PMS - Balanced	IIFL Finance Ltd	22.38	22.37	0.26%
9	360 ONE Plus Consult PMS - Balanced	IIFL Home Finance Limited	0.68	0.78	0.01%
10	360 ONE Plus Consult PMS - Balanced	360 ONE Prime Limited	106.68	111.72	1.31%
11	360 ONE Plus Consult PMS - Conservative	360 ONE Portfolio Managers Limited	25.06	26.34	0.47%
12	360 ONE Plus Consult PMS - Conservative	360 ONE WAM Ltd	17.23	18.90	0.34%
13	360 ONE Plus Consult PMS - Conservative	IIFL Finance Ltd	13.19	14.65	0.26%
14	360 ONE Plus Consult PMS - Conservative	360 ONE Prime Limited	96.19	100.95	1.80%

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15	360 ONE Plus Consult PMS - Conservative	SAMASTA MICROFINANCE LIMITED	2.37	2.55	0.05%
16	360 ONE Plus Consult PMS - Debt	360 ONE Prime Limited	6.46	6.65	3.36%
17	360 ONE Plus Consult PMS - Equity	SAMASTA MICROFINANCE LIMITED	9.07	9.86	1.66%
18	360 ONE Plus Customized Discretionary Portfolio - Conservative	IIFL Home Finance Limited	64.47	83.61	46.90%
19	360 ONE Plus Mandate - Aggressive	360 ONE Prime Limited	10.20	11.07	0.75%
20	360 ONE Plus Mandate - Balanced	IIFL Finance Ltd	7.76	9.29	0.28%
21	360 ONE Plus Mandate - Balanced	360 ONE Prime Limited	75.83	77.62	2.32%
22	360 ONE Plus Mandate - Balanced	SAMASTA MICROFINANCE LIMITED	10.00	17.86	0.53%
23	360 ONE Plus Mandate - Conservative	360 ONE Prime Limited	13.07	14.17	1.14%
24	360 ONE Plus Mandate - Debt	360 ONE Prime Limited	3.39	3.65	5.94%

**Notes:**

- i) The above disclosure does not include details of clients under Co-investment portfolio management services and advisory services.*
- ii) Data as on June 30, 2023.*
- iii) Total AUM of the respective strategies has been considered.*

# DISCLOSURE DOCUMENT

## ANNEXURE B

### PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER

Name of the Investment Approach	Current year (April 01- June 30, 2023)	April 2022 to March 2023	April 2021 to March 2022	April 2020 to March 2021
360 ONE Plus Customized Discretionary Portfolio - Balanced**	6.26	-	-	-
NSE Multi Asset Index #1	7.08	-	-	-
360 ONE Plus Customized Discretionary Portfolio - Conservative**	4.56	-	-	-
NSE Multi Asset Index #1	7.08	-	-	-
360 ONE Plus Long Term Value Portfolio*	-	-	65.33%	34.40%
NIFTY 50 TRI	11.06	0.59%	20.26%	70.93%
360 ONE Plus Managed Solutions Aggressive	9.53	0.95%	10.31%	32.15%
Nifty 50 Hybrid Composite Debt 50 50 Index	6.72	0.86%	15.31%	52.44%
360 ONE Plus Managed Solutions All Equity	13.16	-0.50%	13.35%	47.04%
NIFTY 50 TRI	11.06	0.59%	20.26%	70.93%
360 ONE Plus Managed Solutions Balanced	7.84	1.38%	8.86%	19.93%
Nifty 50 Hybrid Composite Debt 50 50 Index	6.72	1.67%	12.85%	41.04%
360 ONE Plus Managed Solutions Conservative	6.17	2.41%	7.40%	16.54%
Nifty 50 Hybrid Composite Debt 50 50 Index	6.72	2.35%	10.40%	30.92%
360 ONE Plus Managed Solutions Global Equity	7.5	-3.45%	-	-
NIFTY 50 TRI	11.06	0.90%	-	-
360 ONE Plus Mandate - Aggressive	9.56	0.84%	13.03%	31.74%
NSE Multi Asset Index #1	7.08	2.42%	14.46%	52.44%
360 ONE Plus Mandate - Balanced	5.78	2.24%	13.12%	23.06%
NSE Multi Asset Index #1	7.08	3.21%	11.97%	41.04%
360 ONE Plus Mandate - Conservative	3.82	3.82%	10.73%	19.42%
NSE Multi Asset Index #1	7.08	4%	9.48%	30.92%
360 ONE Plus Mandate - Debt	1.82	-	-	-
Nifty Medium to Long Duration Debt Index	2.67	-	-	-
360 ONE Plus Mandate - Equity	11.35	-	-	-
NIFTY 50 TRI	11.06	-	-	-
360 ONE Plus SELECT EQUITY PORTFOLIO*	-	-0.07%	1.22%	65.07%
NIFTY 50 TRI	-	0.59%	20.26%	70.93%
360 ONE Plus Select Equity*	-	-0.15%	-4.37%	17.24%
NIFTY 50 TRI	-	0.59%	20.26%	70.93%

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360 ONE Plus Treasury Solutions	4.43	3.87%	7.55%	6.98%
Nifty Medium to Long Duration Debt Index	2.67	5.83%	3.68%	4.07%
360 ONE Plus Customized PMS	-	7.44%	16.65%	40.24%
NIFTY 500 TRI	-	-1.22%	22.29%	77.58%
360 ONE Plus Mandate All Equity#	-	-0.46%	14.60%	37.68%
NIFTY 50TRI	-	0.59%	20.26%	70.93%
360 One Plus Implemented Solutions Strategy Aggressive*	-	-	47.59%	-18.91%
CRISIL HYBRID INDEX 65+35 AGGRESSIVE INDEX	-	-	-61.30%	-13.20%
360 ONE Implemented Solutions Moderately Aggressive*	-	-	-	22.89%
CRISIL 360 ONE BALANCED INDEX	-	-	-	41.04%

## Notes:

1. Please note that benchmarks of investment approaches have changed in accordance with SEBI circular dated December 16, 2022, and APMI circular dated March 23, 2023 ("the Circulars"). Accordingly, for periods prior to April 1, 2023, benchmark returns have been calculated basis the old benchmarks.
2. Benchmarks considered in the above table are as on May 31, 2023 (after the Circulars becoming effective).
3. Performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.
4. \*There were no investors in the investment approach during 2022-23.
5. \*\*With effect from April 1, 2023, Customized Discretionary Portfolio has been divided into 3 sub-approaches, i.e., Customised Discretionary Portfolio - Balanced, Customised Discretionary Portfolio - Aggressive & Customised Discretionary Portfolio - Conservative.
6. #With effect from April 30, 2023, this Investment Approach has been merged with 360 ONE Plus Mandate - Equity.

# DISCLOSURE DOCUMENT

## FORM C

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

Dear Investor,

We confirm that:

- The Disclosure Document forwarded to Securities and Exchange Board of India is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
- The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Services;
- The Disclosure Document has been duly certified by M. P. Chitale & Co., Chartered Accountants having office at 1/11, Prabhadevi Ind. Estate, 1<sup>st</sup> Floor., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 and having Firm Registration No.: 101851W on April 28, 2023.

Enclosed is the copy of Chartered Accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision.

For **360 ONE Portfolio Managers Limited**



**Gaurav Doshi**  
**Principal Officer**

Email: Gaurav.Doshi@iiflw.com  
Phone No: +9122 4876 5291

Date: April 30, 2023

Place: Mumbai



# **M. P. Chitale & Co.**

## **Chartered Accountants**

1/11, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03

**The Board of Directors,**

**360 ONE Portfolio Managers Limited**

**(formerly known as IIFL Wealth Portfolio Managers Limited),**

360 ONE Centre, Kamala City, Senapati Bapat Marg,

Lower Parel (W), Mumbai – 400013.

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

1. We have been requested by management of 360 ONE Portfolio Managers Limited ('the Company'/'the Portfolio Manager') to certify the contents of Disclosure Document dated April 28, 2023 for portfolio management services of the Company which is prepared by the Company in accordance with the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ('the SEBI Regulations'). We understand that the Disclosure Document is required to be submitted to the Securities and Exchange Board of India ("the SEBI") and to the clients of the Company.

#### **Management's responsibility**

2. The management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of Disclosure Document.
3. The preparation of Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the management of the Company.

#### **Auditor's responsibility**

4. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
5. For the purpose of this certificate, we have planned and performed the following procedures to determine whether anything has come to our attention that causes us

to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

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

### **Conclusion**

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

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

7. This certificate is issued solely to comply with Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (as amended from time to time) and may not be suitable for any other purpose. Accordingly, our certificate should not be quoted or referred to in any other document or made available to any other person or persons other than being part of Disclosure Document without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior written consent.

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

*V.V. Barje*

**Vidya Barje**  
**Partner**  
**M. No. 104994**  
**Mumbai, April 28, 2023**  
**UDIN: 23104994BGWDOK2447**