SUNDARAM ALTERNATES
Sundaram Finance Group

DISCLOSURE DOCUMENT
PORTFOLIO MANAGEMENT SERVICES

Client:..

Account No.:..

Portfolio:...

Date:...

Distributor:...

Portfolio Manager

Sundaram Alternate Assets Limited
CIN: U65990TN2018PLC120641
Registered Office: 21, Patullos Road, Chennai 600 002
Corporate Office: Alamelu Terrace, Third Floor, 163, Anna Salai, Mount Road, Chennai- 600002.
Mobile +91 7305529179 / +91 7305744425
E-mail: support@sundaramalternates.com
www.sundaramalternates.com

Part-I Static section:

Part-II Dynamic Section:

Part-I- Static Section

1. Disclaimer Clause

(i) This Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and filed with 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.
The distribution of this Document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Document are required to inform themselves about and to observe any such restrictions..

(ii) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging Sundaram Alternate Assets Limited as a portfolio manager.

(iii) The disclosure document sets forth concisely the necessary information about Sundaram Alternate Assets Limited required by an investor before investing, and the investor may also be advised to retain the document for future reference.

(iv) The name, phone number, e-mail address of the Principal Officer so designated by Sundaram Alternate Assets Limited is:

Name: Mr. Darshan Engineer
Designation: Fund Manager
Address: Satellite Gazebo
Office No. 101 & 102, B - Wing,
Ground Floor, B D Sawant Marg,
Andheri – Ghatkopar Link Road
Mumbai 400 093

Phone No.: 91 22 4913 3200
Email: darshane@sundaramalternates.com

(v) The Disclosure Document is dated 10th February 2026.

2. Definitions

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

1) **"Act"** means the Securities and Exchange Board of India Act, 1992.

2) **"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 SEBI from time to time.

3) **"Accredited Investor"** means any person who is granted a certificate of accreditation by an 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:

   e. 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.

4) **"Advisory Services"** means advising on the portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.

5) **"Agreement" or "Portfolio Management Services Agreement" or "PMS Agreement" means** agreement executed between the Portfolio Manager and its Client for providing portfolio management services and shall include all schedules and annexures attached thereto and any amendments made to this agreement by the parties in writing, in terms of Regulation 22 and Schedule IV of the Regulations.

6) **"Applicable Law/s"** means any applicable statute, law, ordinance, regulation, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument including the Regulations which has a force of law, as is in force from time to time.

7) **"Assets Under Management" or "AUM"** means aggregate net asset value of the Portfolio managed by the Portfolio Manager on behalf of the Clients.

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

9) **"Benchmark"** means an index selected by the Portfolio Manager in accordance with the Regulations, in respect of each Investment Approach to enable the Clients to evaluate the relative performance of the Portfolio Manager.

10) **"Board" or "SEBI"** means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

11) **"Business Day"** means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges

in India are authorized or required by Applicable Laws to remain closed or such other events as the Portfolio Manager may specify from time to time.

12) **"Client(s)" / "Investor(s)"** means any person who enters into an Agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.

13) **"Custodian(s)"** means an entity registered with the SEBI as a custodian under the Applicable Laws and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.

14) **"Depository"** means the depository as defined in the Depositories Act, 1996 (22 of 1996).

15) **"Depository Account"** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.

16) **"Direct on-boarding"** means an option provided to clients to be on-boarded directly with the Portfolio Manager without intermediation of persons engaged in distribution services.

17) **"Disclosure Document" or "Document"** means the disclosure document for offering portfolio management services prepared in accordance with the Regulations.

18) **"Distributor"** means a person/entity who may refer a Client to avail services of Portfolio Manager in lieu of commission/charges (whether known as channel partners, agents, referral interfaces or by any other name).

19) **"Eligible Investors"** means a Person who: (i) complies with the Applicable Laws, and (ii) is willing to execute necessary documentation as stipulated by the Portfolio Manager.

20) **"Fair Market Value"** means the price that the Security would ordinarily fetch on sale in the open market on the particular date.

21) **"Foreign Portfolio Investors"** or "FPI" means a person registered with SEBI as a foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

22) **"Financial Year"** means the year starting from April 1 and ending on March 31 in the following year.

23) **"Funds" or "Capital Contribution"** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the Agreement and includes the monies mentioned in the account opening form, any further monies placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, the proceeds of sale or other realization of the portfolio and interest, dividend or other monies arising from the assets, so long as the same is managed by the Portfolio Manager.

24) **"Group Company"** shall mean an entity which is a holding, subsidiary, associate, subsidiary of a holding company to which it is also a subsidiary.

25) **"HUF"** means the Hindu Undivided Family as defined in Section 2(31) of the IT Act.

26) **"Investment Approach"** is a broad outlay of the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and Securities and includes any of the current Investment Approach or such Investment Approach that may be introduced at any time in future by the Portfolio Manager.

27) **"IT Act"** means the Income Tax Act, 1961, as amended and restated from time to time along with the rules prescribed thereunder.

28) **"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.

29) **"Non-resident Investors" or "NRI(s)"** shall mean non-resident Indian as defined in Section 2 (30) of the IT Act.

30) **"NAV"** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.

31) **"NISM"** means the National Institute of Securities Markets, established by the Board

32) **"Person" i**ncludes an individual, a HUF, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other

entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.

33) **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.

34) **“Portfolio Manager”** means Sundaram Alternate Assets Limited, a company incorporated under the Companies Act, 2013, registered with SEBI as a portfolio manager bearing registration number INP000006271 and having its registered office at 21, Patullos Road, Chennai- 600002 and having its corporate office at Alamelu Terrace, 3rd floor, 163, Anna Salai, Mount Road, Chennai 600 002.

35) **“Principal Officer”** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

a. the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the Funds of the Client, as the case may be; and

b. all other operations of the Portfolio Manager

36) **“Regulations” or ”SEBI Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended/modified and reinstated from time to time and including the circulars/notifications issued pursuant thereto.

37) **“Related Party” means –**

(i) a director, partner or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, partner, manager or his relative is a partner;

(iv) a private company in which a director, partner or manager or his relative is a member or director;

(v) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

(vi) any body corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;

(vii) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any body corporate which is— (A) a holding, subsidiary or an associate company of the Portfolio Manager; or (B) a subsidiary of a holding company to which the Portfolio Manager is also a subsidiary; (C) an investing company or the venturer of the Portfolio Manager The investing company or the venturer of the Portfolio Manager means a body corporate whose investment in the Portfolio Manager would result in the Portfolio Manager becoming an associate of the body corporate;

(ix) a related party as defined under the applicable accounting standards.

(x) such other person as may be specified by the Board:

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 per cent or more; or

ii. of ten per cent 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 immediate preceding Financial Year; shall be deemed to be a related party;

38) **“Securities”** means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the Regulations or any other law for the time being in force.

3. Description

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

Sundaram Alternate Assets Limited ("SA") is a company incorporated under the Companies Act, 2013 on January 24, 2018, having its Registered Office at 21, Patullos Road, Chennai 600 002. SA is a wholly owned subsidiary of Sundaram Asset Management Company Limited ("Sundaram AMC"), which in turn is wholly owned subsidiary of Sundaram Finance Limited. ("SFL").

National Company Law Tribunal (NCLT), Chennai bench vide its Order dated 29 May 2018 approved the transfer of alternative investment funds and portfolio management services divisions of Sundaram AMC to SA by way of Scheme of Arrangement as a going concern.

SEBI approved the change in the Investment Manager for Cat II and III AIF from Sundaram AMC to SA in September 2018.

Pursuant to the Scheme of Arrangement, Sundaram AMC assigned to SA all its rights and obligations under the Portfolio Investment Management Agreement executed with its Clients and other documents executed pursuant thereto and Power of Attorney ("POA") conferred by Clients in favour of Sundaram AMC.

Thus, SA is entitled to exercise all powers and functions conferred or contained in the POA, which were originally exercised or performed by Sundaram AMC. On confirmation to SEBI that SA has complied with the requirements specified by SEBI in respect of transfer of PMS business, SEBI has issued Certificate of Registration No. INP000006271 dated 29th November 2018 under SEBI (Portfolio Managers) Regulations, 1993 in favour of SA to act as a Portfolio Manager.

SA commenced the PMS operations effective from 2nd January 2019.

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

Sundaram Alternate Assets Limited is a wholly-owned subsidiary of Sundaram Asset Management Company Limited which in turn is wholly owned subsidiary of Sundaram Finance Limited.

Sundaram Asset Management Company Limited

SAMC is a public limited company incorporated as Sundaram Newton Asset Management Company under the Companies Act, 1956 on 26 February 1996 and approved by the SEBI to act as the Investment Manager for the schemes of Sundaram Mutual Fund.

SAMC has been a pioneer in the area of investment management and is one of the early private asset managers in India. Sundaram Finance owned 61% equity in SAMC and Newton Investment Management, U.K had a 39% stake.

At the global level, Mellon Financial Corporation acquired Newton Investment Management in 2001. Following this development, Sundaram Finance acquired the 39% stake of the Newton group in 2002 and SAMC became a wholly owned subsidiary of Sundaram Finance. In March 2006, France based BNP Paribas Asset Management acquired 49.9% stake in SAMC and formed a joint venture.

SAMC was renamed as Sundaram BNP Paribas Asset Management Limited. BNP Paribas Asset Management had to end the joint venture by selling their stake to Sundaram Finance in July 2010. Since then SAMC has been a 100% owned subsidiary of Sundaram Finance.

Sundaram AMC was registered with SEBI as a Portfolio Manager vide registration no. INP000001355 under SEBI (Portfolio Managers) Regulations 1993 and was carrying on Portfolio Management Services rendering Discretionary and Advisory Services from June 1, 2007 to January 01, 2019.

Sundaram AMC was the Investment Manager for (i) Sundaram Alternative Investment Trust (Category III AIF) from January 2017 and (ii) Sundaram Category II Alternative Investment Trust from June 2017.

As of 31 March 2025, SAMC managed average assets worth around INR 64,746.18 cr. through various equity and debt schemes of its mutual fund business. SAMC has managed over 60 (sixty) lakh customer accounts since inception and currently manages around 22.62 lakhs (Twenty Two lakhs and sixty two thousand) active customer folios. SAMC has 79 (Seventy Nine) customer care centres spread across 23 (twenty three) states of India and offices in Singapore and Dubai.

SAMC has a wholly owned subsidiary in Singapore in the name of Sundaram Asset Management Singapore Pte. Ltd. ("SAMS").

SAMS is registered with Monetary Authority of Singapore (MAS) and is carrying on the activity of fund management to the accredited investors.

Sundaram Finance Limited

Sundaram Finance Limited is one of the leading non-banking finance company in India having a track record of over 68 years.

Sundaram Finance Group has a presence in businesses such as automobile finance, home loans, mutual funds and insurance, to name a few. As of 31 March 2025, Sundaram Finance has a nation-wide network of 710 branches, employee strength (full time employees including its divisions) of 5,132 people and is regarded as one of the most trusted and respected financial services provider in India. The Sundaram Finance Group remains true to its core values of prudence, fairness, transparency and service excellence.

The Company has a track record of uninterrupted dividend payment every year since inception in 1954.

Sundaram Finance enjoys the highest investment grade rating for its fixed deposits programme. The short term borrowings (including commercial papers) of the company are rated " A1+" (Very Strong Degree of Safety). The fixed deposits are rated " AAA" (Highest Degree of Safety) by ICRA and CRISIL. The long-term borrowings are rated " AAA" (Highest Degree of Safety), with a "Stable outlook" by ICRA and CRISIL."

Board of Directors of Sundaram Alternate Assets Limited

Name and Address of Directors	Qualification	Age	Background
Harsha Viji Chairman New No. 10A, Old No. 11, Raghavaveera Avenue, Poes Garden, Chennai 600086.	B Com, ACA MBA (Ann Arbor, Michigan)	50	Mr Harsha Viji presently serves as Executive Vice Chairman of Sundaram Finance Limited. He earlier served as Deputy Managing Director and Executive Director (Strategy & Planning) of Sundaram Finance and as the Managing Director of Sundaram Asset Management Company. Mr. Harsha serves as a director on the boards of several companies. Mr Harsha has a total experience of over 21 (twenty-one) years wherein he has worked with PricewaterhouseCoopers, Mckinsey & Company and Sundaram Finance Limited in different capacities.
Lakshminarayanan Duraiswamy Director 87/4, Padma Apartments 1st Main Road Damodarapuram Adyar, Chennai 600 020	B.Com., Grad CWA., PGDBA(LIBA)	56	Mr Lakshminarayanan Duraiswamy is currently the Managing Director of Sundaram Home Finance Ltd. He was the Chief Operating Officer of Sundaram AMC till 31/03/2019. He was with Sundaram AMC since 2009, and has a total experience of over 25 years in the financial services sector. Prior to joining Sundaram Mutual Fund, he worked for Citibank and GE Capital in India and in Australia in various risk management roles.
Karthik Balachandran Athreya Director New No 10, Old No 7, Preethi JeevarathnamNagar, Adyar, Chennai 600020.	B.Com., CA	51	Mr. Karthik Athreya is a financial service professional with over 22 years of experience across principal investing, funds management, investment banking, corporate finance, assurance and transaction diligence services. Mr. Karthik had been working to create an alternatives investment & private wealth advisory platform at HD Ventures LLP. Mr. Karthik had led the India business of Clearwater Capital Partners, a pan Asian private equity fund since 2007 and was a member of the firm' s Management & Investment Committees based in Mumbai. He was instrumental in the set up and build out of Clearwater' s high yield asset-backed lending NBFC platform Altico Capital. Prior to Clearwater, Mr Karthik was a founder employee and a Director of Investment Banking at YES Bank. Mr. Karthik had worked as a Director in the Investment Banking business of Rabo India Finance, a subsidiary of Rabobank Nederlands. Prior to this Mr. Karthik worked in the Corporate Finance group of Arthur Andersen and with PricewaterhouseCoopers in their assurance & transaction advisory business.
Arvind Sethi Director 02 GFA, Court Green, The Laburnum, Sushant Lok 1, Sector 28, Gurgaon 122002	MA Hons. in PPE, Philosophy, Politics & Economics (Oxford University)	68	Mr. Arvind Sethi has a total experience of over 34 years in the banking and financial services sector. He has served as Managing Partner of CAP-MConsulting India Private Limited, Managing Director of Tata Asset Management Limited and Managing Director of Bank of America (Global Markets). He has also held senior level positions at ANZ Grindlays Bank and HSBC. He serves as a director on the boards of several companies. He has been a member of RBI's Technical Advisory Committee on Foreign Exchange.
Bama Balakrishnan Director Apt 14 B Emerald Q Tower, Olympia Opaline Sequel, Navalur, Chennai -600130	B.Com – PGDM –IIM, Ahmedabad CWA, CFA	50	Currently associated with Sundaram Finance since October 2024 as Senior Vice President – Finance. She has spent over 10 years at ICICI Bank in Chennai, Mumbai, New York and Singapore, handling various responsibilities. Thereafter, she has been associated with Northern Arc Capital Limited for 12 years as their Chief Risk Officer, Chief Financial Officer, and Executive Director & Chief Operating Officer.

(iii). Group Companies of the Portfolio Manager

1. Sundaram Home Finance Limited: Housing Finance
2. Sundaram Asset Management Company Limited: Investment Manager for Sundaram Mutual Fund
3. Royal Sundaram General Insurance Co. Limited: General Insurance
4. TSF Investments Limited: Business of making all types of investments
5. Sundaram Business Services Limited: Business Process Outsourcing
6. Sundaram Fund Services Ltd: Fund Accounting
7. Sundaram Asset Management Singapore Pte Ltd.: Fund Management Services
8. Sundaram Trustee Company Limited: Trustees for Sundaram Mutual Fund
9. LGF Services Ltd: Distributor for financial and insurance products
10. Sundaram Alternative Opportunities Fund Mauritius Limited: Feeder Fund for Sundaram High Yield Secured Debt Fund, a Cat II AIF
11. Sundaram Alternative Opportunities Fund II Mauritius Limited: Feeder Fund for Sundaram High Yield Secured Debt Fund a Cat II AIF

(iv) Details of services offered : The Portfolio Manager offers Discretionary, Non-discretionary and Advisory services.

(1) Discretionary – The Portfolio Manager exercises his discretion in managing the funds /investments of the Client.

(2) Non-discretionary - The portfolio Manager manages funds of the Client in accordance with the instructions/directions given by the Client.

3) Advisory – The client is advised on buy/sell decision within the overall risk profile without any back office responsibility for trade execution, custody or accounting functions.

(4) Co-investment Portfolio Management Services for Sundaram Category II Alternative Investment Trust.

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

(i) There have been no penalties imposed on the Portfolio Manager by SEBI and no directions have been issued by SEBI under the Act, Rules or Regulations made thereunder.

(ii) There have been no penalties imposed for any economic offence and /or for violation of any securities laws.

(iii) There are no pending material litigation / legal proceedings against the Portfolio Manager / key personnel.

(iv) There has been any deficiency in the systems and operations of the portfolio Manager observed by SEBI or any regulatory agency.

SEBI has conducted offsite inspection cum surveillance of PMS division for the half year ended September 2023 and had issued deficiency / advisory letter. The Company has rectified the deficiency pointed out by SEBI and had taken steps to comply with the case of advisory.

(v) There are no enquiry/ adjudication proceedings initiated by SEBI against the portfolio manager, its directors, principal officer or employees or any other person connected directly / indirectly with the portfolio manager, its directors, principal officer or its employees, under the Act / Rules / regulations made there under, except in the case of Sundaram Finance Limited, the Sponsor.

“The Securities and Exchange Board of India has alleged non disclosure of information to the stock exchanges under SEBI (Prohibition of Insider Trading) Regulations, 1992 and imposed a penalty of ₹ 10 Lakhs on the Sponsor. On appeal by the Sponsor, the Securities Appellate Tribunal vide its Order dated 1st September 2010, partly allowed the appeal and reduced the Quantum of penalty to 2 Lakhs”.

The above information has been disclosed in good faith as per the information available to the Portfolio Manager.

5. **Services Offered**

i. The Portfolio Manager offers Discretionary, Non-discretionary and Advisory services.

The Portfolio Manager also renders co-investment portfolio management services for Sundaram Category II Alternative Investment Trust

Minimum investment amount/securities with a value of ₹50 Lakhs.

The minimum investment amount per client shall be applicable for new clients and fresh investments made by existing clients effective from January 21, 2020.

Existing investments of clients as on January 21, 2020 will continue as such till maturity of the investment if no further investment is made by them.

The minimum investment amount shall not apply to accredited investors and the clients of Co-investment portfolio management services. For accredited investors, the minimum investment amount shall be as determined by the Investment Manager from time to time.

Regulatory Concessions available to Accredited Investor and Large Value Accredited Investor:

Particulars	Applicability
The requirement of minimum investment of INR 50 lakhs per client shall not apply.	Accredited Investor
The Portfolio Manager may offer discretionary or nondiscretionary or advisory services for investment up to hundred percent of the assets under management in unlisted securities subject to the terms agreed between the client and the Portfolio Manager	Large Value Accredited Investor
The quantum and manner of exit load applicable to the client as provided under the PMS regulations shall not apply and shall be governed through bilaterally negotiated contractual terms.	Large Value Accredited Investor
Contents of agreement specified under Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio Manager and Large Value Accredited Investor.	Large Value Accredited Investor

Flexibility to investors to withdraw 'Consent' by Accredited Investors

Accredited Investors shall have the flexibility to withdraw their 'Consent' and discontinue availing benefits of accreditation, subject to the following:

(i) An investor who withdraws 'Consent' after availing the benefit of lower ticket size shall be required to increase the investment to the minimum amount i.e. Rs.50 lakhs, within the timeframe specified in the client agreement.

(ii) If an investor who has availed concessions to the regulatory framework withdraws the 'Consent' furnished to the Portfolio Manager before the expiry of the client agreement, the investments already made shall be 'grandfathered' i.e. such investments already made shall continue to be reckoned as investments by Accredited Investor.

(iii) With effect from the date of withdrawal of consent, any further transaction shall be in accordance with the regulatory framework applicable to investors other than AIs.

Investor becomes ineligible to be Accredited Investor

After entering into an agreement with Portfolio Manager to avail benefits linked to accreditation, if an investor ceases to be eligible to be an Accredited Investor, the investment(s) already made shall continue to be reckoned as investment by an Accredited Investor.

Investment Objective

The Investment Objective is to seek capital appreciation through various strategies by investing in asset classes of equities, equity derivatives, fixed income, fixed income derivatives, mutual funds and any other asset classes and securities permissible under regulations.

The Key factors of the investment approach / strategy will be:-

- Owning a compact portfolio of securities
- Identifying attractive opportunities and take concentrated exposures
- Investing across all sectors in the economy
- Emphasis on stock selection
- Selecting stocks with an optimal investment horizon

Though every endeavour will be made to achieve the objectives of the each PMS strategy, Portfolio Manager does not guarantee that the investment objectives of the services will be achieved. No guaranteed returns are being offered under the services.

The Portfolio Manager shall focus on the past performance and future prospects of the Company and the business, financial health, competitive edge, managerial quality and practices, minority shareholder fairness, transparency. Companies that adequately satisfy the prescribed criteria are included in the portfolio. The weight of individual companies will be based on their upside potential relative to downside risk.

For investment in fixed income securities, the optimum duration of the portfolio is first determined based on the interest rate view.

Then depending on this decision, the mix of G-Secs, corporate debt, money market instruments, and cash is arrived at. This mix tries to ensure that returns are maximised while still protecting the liquidity of the portfolio. Within corporate debt, a further decision is taken regarding the weights of AAA (pronounced 'triple A') rated instruments and Sub-AAA rated instruments.

The Portfolio Manager will use derivative instruments as permitted under regulations for optimising the risk return profile of equity and debt portfolios. Please refer **Annexure I** for disclosure on derivatives.

The Portfolio Manager does not intend to make any specific investments into its Associates / Group companies on its own account.

Investment in associate / group companies of the Portfolio Manager on the Clients account shall be subject to the applicable laws /regulations / guidelines.

The Co-investment Portfolio Manager shall invest 100% of the assets under management in unlisted securities of investee companies where Category I and Category II Alternative Investment Funds managed by it as Manager, make investment.

ii. Investment Categories (Types of Strategies)

Investment Approach	Sundaram India Secular Opportunities Portfolio (SISOP)	Sundaram Emerging Leadership Fund (S.E.L.F.)	Sundaram Voyager
Investment Theme	Equity	Equity	Equity
Investment objective	To generate capital appreciation across market cycles by investing in a concentrated set of high conviction stocks	To seek long-term capital appreciation with investments predominantly in mid and small cap companies	To seek long-term capital appreciation by investing in stocks across the cap curve
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Listed equity, temporary investments	Listed equity, temporary investments	Listed equity, temporary investments
Basis of selection of such types of securities as part of the investment approach	Bottom up approach to stock selection	Bottom up approach to stock selection	Bottom up approach to stock selection
Allocation of portfolio across types of securities	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 Multi-cap sector agnostic portfolio	Primary Benchmark: S&P BSE 500 Secondary Benchmark: Nifty Midcap 150 Portfolio will invest predominantly in mid and small cap companies	S&P BSE 500 Multi-cap portfolio
Indicative tenure or investment horizon	Above 3 years	Above 3 years	Above 3 years
Other salient features, if any	Invest in business with secular growth opportunities Multi-cap sector agnostic portfolio Concentrated Portfolio	Companies that are in early stages of their business cycle and could emerge as tomorrow's large caps. Multi sector portfolio.	Diversified portfolio across sectors and cap curve.

Investment Approach	Sundaram Voyager Global	Sundaram Rising Stars Portfolio
Investment Theme	Equity	Equity
Investment objective	To seek long-term capital appreciation by investing in stocks across the cap curve	To seek long term capital appreciation by investing in companies that can be termed as smallcaps
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Listed equity, temporary investments	Listed equity, temporary investments
Basis of selection of such types of securities as part of the investment approach	Bottom up approach to stock selection	Bottom up approach to stock selection
Allocation of portfolio across types of securities	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 Multi-cap portfolio	Primary Benchmark: S&P BSE 500 Secondary Benchmark: Nifty Smallcap 250 Portfolio is focussed on investing in smallcap stocks
Indicative tenure or investment horizon	Above 3 years	Above 5 years
Other salient features, if any	Diversified portfolio across sectors and cap curve.	-

Investment Approach	Sundaram India Opportunities Portfolio (SUNIOP)	Sundaram India Transition Portfolio (S.I.T.P.)
Investment Theme	Equity	Equity
Investment objective	To seek long term capital appreciation by investing predominantly in equity / equity related instruments of companies across market caps and across sectors	To seek long-term capital appreciation by investing in stocks across the cap curve
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Listed equity, temporary investments	Listed equity
Basis of selection of such types of securities as part of the investment approach	Bottom up approach to stock selection	Bottom-up approach to stock selection
Allocation of portfolio across types of securities	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)	Upto 95% in equity Remaining in temporary investments (Cash, liquid and / or overnight funds)
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 Multi-cap sector agnostic portfolio	S&P BSE 500 Multicap Strategy
Indicative tenure or investment horizon	Above 3 years	Above 3 years
Other salient features, if any	Multi-cap sector agnostic portfolio.	Invest in business with secular growth opportunities. Muti cap Sector agnostic portfolio. Concentrated Portfolio.

Investment Approach	QUANT	Alpha Equity	India Dedicated
Investment Theme	Equity	Equity	Equity
Investment objective	The primary objective of the fund is to generate capital appreciation with relatively lower volatility over long term.	Creating a diversified portfolio of companies which will try to create alpha on risk adjusted basis in comparison to the benchmark	Invest in secular themes
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Investment in equities from the NSE 500 index along with investment in traded ETFs and Sundaram Overnight funds.	Equities only	Equities only
Basis of selection of such types of securities as part of the investment approach	Investment in 15/30 stocks from the underlying index based on technical relative strength. Allocation to equity will vary from 0 to 100%. Allocation to other traded ETFs and Overnight funds may also vary from 0 to 100%	High quality companies, innovators and companies have focused growth-oriented approach	Companies with continue to innovate and build intellectual of capabilities
Allocation of portfolio across types of securities	0-100% in equities/ traded ETFs/ overnight funds	Upto 100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)	Upto 100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)
Appropriate benchmark to compare performance and basis for choice of benchmark	S& P BSE 500	S& P BSE 500	S& P BSE 500
Indicative tenure or investment horizon	5 to 7 years	5 years or more	5 years or more
Other salient features, if any	Nil	Nil	Nil

Investment Approach	Sundaram Alternates Bespoke Public Equity Strategy
Investment Theme	Equity
Investment objective	To seek long-term capital appreciation by adopting sector & cap-curve agnostic investment approach by investing in stocks that form part of the investment universe and are reasonably priced. Designed as per client requirement for long-term investment horizons seeking returns by making allocation to investments that are aligned with their investment framework.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Listed equity, temporary investments
Basis of selection of such types of securities as part of the investment approach	Bottom-up approach to stock Selection
Allocation of portfolio across types of securities	~80-100% equity Remaining in temporary investments (Cash, liquid and / or overnight funds)
Appropriate benchmark to compare performance and basis for choice of benchmark	S&P BSE 500 TRI
Indicative tenure or investment horizon	Above 4 years
Other salient features, if any	Concentrated Portfolio upto 30 stocks* Balanced portfolio across sectors and reasonable starting weights.

* *The number of stocks in the portfolio is only indicative and would be determined by the Portfolio Manager based on the opportunities, available funds for investment and market conditions.*

Investment Approach	Sundaram Alternates Fixed Income Rated Short Term ('FIRST') Plan – Aggressive
Investment Theme	Debt
Investment objective	The investment objective of the FIRST Plan is to create a stable, income-generating portfolio of fixed income bonds rated between AAA to BBB with reasonable liquidity features. FIRST aims to provide investors with an opportunity to participate in a risk-adjusted returns ('RAR') portfolio that is well diversified with periodic income distributions, while maintaining a focus on capital preservation. The plan emphasizes on constructing a well-rated portfolio across various maturities, high-grade credit and well-capitalised issuers, with the goal of optimizing RAR. The Investment Manager ('IM') will employ rigorous credit analysis and risk management strategies to identify such opportunities while managing potential credit risks effectively. Investors in this plan can expect a steady stream of income through coupon payments, along with the potential to generate risk and inflation adjusted returns. The FIRST Plan is designed to cater to income-oriented investors seeking an alternative fixed-income solution to fixed deposits / tax savers / GSecs.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc.	Primarily listed debt securities, listed and rated PTC securities and Gsecs. Temporary investments into liquid funds will be done to manage liquidity and as a treasury plan.
Basis of selection of such types of securities as part of the investment approach	The selection of securities for the FIRST Plan will be guided by: 1. **Focus on safety / capital preservation:** The primary emphasis of this plan is on well-rated debt instruments, which typically offer periodic coupon rates and have 2-3 year durations. The IM selects securities with the potential for predictable yields aiming to generate a steady stream of income for investors. 2. **Diversification:** Diversification will be a key driver for portfolio creation. The portfolio will include a mix of rated securities across various maturities (within 2-3 years), credit parameters identified by the IM and RAR to spread risk and enhance the overall stability of the portfolio. 3. **Credit Risk Management:** While seeking to improve portfolio yields, the IM will actively manage potential credit risks through constant credit analysis, market feedback on creditworthiness of issuers and benchmarking to RARs based on market events with a view to balance returns and safety. 4. **Maturity Profile:** The FIRST Plan will look to blend 2-3 year durations with the IM's outlook on rates and liquidity. 5. **Yield-to-Maturity (YTM) Considerations:** The FIRST Plan will participate in both secondary trades as well as primary issuances so as to be able to invest into both 'hold to maturity' trades as well as being able to sell-down to lock-in attractive returns if the opportunities are available. 6. **Active Management:** The plan will employ an active management approach, enabling an adaptive portfolio in response to changing market dynamics. Regular monitoring and adjustments will be made to optimize the balance between yield generation and risk mitigation. 7. **Risk Management:** Robust risk management strategies will be implemented to identify and mitigate potential risks associated with securities. This includes a thorough assessment of liquidity risk, interest rate risk, and other factors that may impact the stability of the portfolio. In addition, the Plan may explore the use of credit default swaps as a form of insurance against potential defaults on the underlying debt securities, to the extent feasible. By integrating these principles into the investment approach, the FIRST Plan aims to provide investors with an income-focused strategy and being able to lock-in reasonably attractive RARs while managing associated risks effectively.
Allocation of portfolio across types of securities	The FIRST Plan will be structured to achieve the fund's investment objectives as stated above and, in this context, to optimize RAR, the typical portfolio allocation may include: 1. **Stable AAA-BBB Corporate Bonds:** A significant portion of the portfolio may be allocated in this risk bucket. These are largely listed debt securities issued by healthy corporations with strong financial parameters looking to access the debt capital markets to raise lower duration financing vis-à-vis the typical enterprise level debt they might be able to raise at lower costs. 2. **Government and PSU Bonds:** These would largely be GSecs / T Bills etc which are sovereign / almost sovereign status securities. To provide a degree of safety and stability, a portion of the portfolio may be allocated to such securities. While these typically offer lower yields compared to other corporate bonds, they contribute to diversification and help manage overall portfolio and liquidity risks. 3. **Commercial Paper (CP):** The Plan may also allocate a portion of its portfolio to subscribing to short-term CP issuances of 3-12 months with a view to boost fee income for the Plan and also to maintain short-term liquidity. 4. **Cash and Cash Equivalents:** While the primary focus is on income generation, maintaining liquidity is essential. A portion of the portfolio may be allocated to cash and cash equivalents to meet redemption requests and take advantage of new investment opportunities. This bucket would include highly liquid GSecs / T Bills etc. 5. **Listed PTCs:** A portion of the portfolio may be allocated to listed and rated PTCs The specific allocation percentages across these types of securities will depend on market conditions, interest rate outlook, credit risk assessments, and the Plan's overall strategy.
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index
Indicative tenure or investment horizon	3 years
Other salient features, if any	In addition to the allocation across various types of securities, the Sundaram Alternates Debt PMS strategies may encompass several other salient features such as: 1. **Customization:** PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients. The IM may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 25-100 crores. 2. **Liquidity Management:** The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural back-stops to meet redemption requests and capitalize on new investment opportunities. 3. **Regular Reporting and Communication:** Investors will receive regular reports and updates on the performance of the portfolio. The IM may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments. 4. **Exit Load Structure:** Given that the IM is looking to create 2-3 year duration portfolios, the PMS plans are likely to have an exit load structure, particularly for redemptions within a short period. This is designed to encourage investors with a medium term investment horizon and optimize yields from the Debt PMS plans. It is essential for investors considering the Sundaram Alternates Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the IM are crucial aspects of making informed investment decisions.

Investment Approach	Sundaram Alternates Fixed Income Rated Short Term ('FIRST') Plan – Moderate
Investment Theme	Debt
Investment objective	The investment objective of the FIRST Plan is to create a stable, income-generating portfolio of fixed income bonds rated between AAA to BBB with reasonable liquidity features. FIRST aims to provide investors with an opportunity to participate in a risk-adjusted returns ('RAR') portfolio that is well diversified with periodic income distributions, while maintaining a focus on capital preservation. The plan emphasizes on constructing a well-rated portfolio across various maturities, high-grade credit and well-capitalised issuers, with the goal of optimizing RAR. The Investment Manager ('IM') will employ rigorous credit analysis and risk management strategies to identify such opportunities while managing potential credit risks effectively. Investors in this plan can expect a steady stream of income through coupon payments, along with the potential to generate risk and inflation adjusted returns. The FIRST Plan is designed to cater to income-oriented investors seeking an alternative fixed-income solution to fixed deposits / tax savers / GSecs.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc.	Primarily listed debt securities, listed and rated PTC securities and Gsecs. Temporary investments into liquid funds will be done to manage liquidity and as a treasury plan.
Basis of selection of such types of securities as part of the investment approach	The selection of securities for the FIRST Plan will be guided by: 1. **Focus on safety / capital preservation:** The primary emphasis of this plan is on well-rated debt instruments, which typically offer periodic coupon rates and have 2-3 year durations. The IM selects securities with the potential for predictable yields aiming to generate a steady stream of income for investors. 2. **Diversification:** Diversification will be a key driver for portfolio creation. The portfolio will include a mix of rated securities across various maturities (within 2-3 years), credit parameters identified by the IM and RAR to spread risk and enhance the overall stability of the portfolio. 3. **Credit Risk Management:** While seeking to improve portfolio yields, the IM will actively manage potential credit risks through constant credit analysis, market feedback on creditworthiness of issuers and benchmarking to RARs based on market events with a view to balance returns and safety. 4. **Maturity Profile:** The FIRST Plan will look to blend 2-3 year durations with the IM's outlook on rates and liquidity. 5. **Yield-to-Maturity (YTM) Considerations:** The FIRST Plan will participate in both secondary trades as well as primary issuances so as to be able to invest into both 'hold to maturity' trades as well as being able to sell-down to lock-in attractive returns if the opportunities are available. 6. **Active Management:** The plan will employ an active management approach, enabling an adaptive portfolio in response to changing market dynamics. Regular monitoring and adjustments will be made to optimize the balance between yield generation and risk mitigation. 7. **Risk Management:** Robust risk management strategies will be implemented to identify and mitigate potential risks associated with securities. This includes a thorough assessment of liquidity risk, interest rate risk, and other factors that may impact the stability of the portfolio. In addition, the Plan may explore the use of credit default swaps as a form of insurance against potential defaults on the underlying debt securities, to the extent feasible. By integrating these principles into the investment approach, the FIRST Plan aims to provide investors with an income-focused strategy and being able to lock-in reasonably attractive RARs while managing associated risks effectively.
Allocation of portfolio across types of securities	The FIRST Plan will be structured to achieve the fund's investment objectives as stated above and, in this context, to optimize RAR, the typical portfolio allocation may include: 1. **Stable AAA-BBB Corporate Bonds:** A significant portion of the portfolio may be allocated in this risk bucket. These are largely listed debt securities issued by healthy corporations with strong financial parameters looking to access the debt capital markets to raise lower duration financing vis-à-vis the typical enterprise level debt they might be able to raise at lower costs. 2. **Government and PSU Bonds:** These would largely be GSecs / T Bills etc which are sovereign / almost sovereign status securities. To provide a degree of safety and stability, a portion of the portfolio may be allocated to such securities. While these typically offer lower yields compared to other corporate bonds, they contribute to diversification and help manage overall portfolio and liquidity risks. 3. **Commercial Paper (CP):** The Plan may also allocate a portion of its portfolio to subscribing to short-term CP issuances of 3-12 months with a view to boost fee income for the Plan and also to maintain short-term liquidity. 4. **Cash and Cash Equivalents:** While the primary focus is on income generation, maintaining liquidity is essential. A portion of the portfolio may be allocated to cash and cash equivalents to meet redemption requests and take advantage of new investment opportunities. This bucket would include highly liquid GSecs / T Bills etc. 5. **Listed PTCs:** A portion of the portfolio may be allocated to listed and rated PTCs The specific allocation percentages across these types of securities will depend on market conditions, interest rate outlook, credit risk assessments, and the Plan's overall strategy.
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index
Indicative tenure or investment horizon	3 years
Other salient features, if any	In addition to the allocation across various types of securities, the Sundaram Alternates Debt PMS strategies may encompass several other salient features such as: 1. **Customization:** PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients. The IM may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 25-100 crores. 2. **Liquidity Management:** The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural back-stops to meet redemption requests and capitalize on new investment opportunities. 3. **Regular Reporting and Communication:** Investors will receive regular reports and updates on the performance of the portfolio. The IM may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments. 4. **Exit Load Structure:** Given that the IM is looking to create 2-3 year duration portfolios, the PMS plans are likely to have an exit load structure, particularly for redemptions within a short period. This is designed to encourage investors with a medium term investment horizon and optimize yields from the Debt PMS plans. It is essential for investors considering the Sundaram Alternates Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the IM are crucial aspects of making informed investment decisions.

Investment Approach	Sundaram Alternates Fixed Income Rated Short Term ('FIRST') Plan – Conservative
Investment Theme	Debt
Investment objective	The investment objective of the FIRST Plan is to create a stable, income-generating portfolio of fixed income bonds rated between AAA to BBB with reasonable liquidity features. FIRST aims to provide investors with an opportunity to participate in a risk-adjusted returns ('RAR') portfolio that is well diversified with periodic income distributions, while maintaining a focus on capital preservation. The plan emphasizes on constructing a well-rated portfolio across various maturities, high-grade credit and well-capitalised issuers, with the goal of optimizing RAR. The Investment Manager ('IM') will employ rigorous credit analysis and risk management strategies to identify such opportunities while managing potential credit risks effectively. Investors in this plan can expect a steady stream of income through coupon payments, along with the potential to generate risk and inflation adjusted returns. The FIRST Plan is designed to cater to income-oriented investors seeking an alternative fixed-income solution to fixed deposits / tax savers / GSecs.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc.	Primarily listed debt securities, listed and rated PTC securities and Gsecs. Temporary investments into liquid funds will be done to manage liquidity and as a treasury plan.
Basis of selection of such types of securities as part of the investment approach	The selection of securities for the FIRST Plan will be guided by: 1. **Focus on safety / capital preservation:** The primary emphasis of this plan is on well-rated debt instruments, which typically offer periodic coupon rates and have 2-3 year durations. The IM selects securities with the potential for predictable yields aiming to generate a steady stream of income for investors. 2. **Diversification:** Diversification will be a key driver for portfolio creation. The portfolio will include a mix of rated securities across various maturities (within 2-3 years), credit parameters identified by the IM and RAR to spread risk and enhance the overall stability of the portfolio. 3. **Credit Risk Management:** While seeking to improve portfolio yields, the IM will actively manage potential credit risks through constant credit analysis, market feedback on creditworthiness of issuers and benchmarking to RARs based on market events with a view to balance returns and safety. 4. **Maturity Profile:** The FIRST Plan will look to blend 2-3 year durations with the IM's outlook on rates and liquidity. 5. **Yield-to-Maturity (YTM) Considerations:** The FIRST Plan will participate in both secondary trades as well as primary issuances so as to be able to invest into both 'hold to maturity' trades as well as being able to sell-down to lock-in attractive returns if the opportunities are available. 6. **Active Management:** The plan will employ an active management approach, enabling an adaptive portfolio in response to changing market dynamics. Regular monitoring and adjustments will be made to optimize the balance between yield generation and risk mitigation. 7. **Risk Management:** Robust risk management strategies will be implemented to identify and mitigate potential risks associated with securities. This includes a thorough assessment of liquidity risk, interest rate risk, and other factors that may impact the stability of the portfolio. In addition, the Plan may explore the use of credit default swaps as a form of insurance against potential defaults on the underlying debt securities, to the extent feasible. By integrating these principles into the investment approach, the FIRST Plan aims to provide investors with an income-focused strategy and being able to lock-in reasonably attractive RARs while managing associated risks effectively.
Allocation of portfolio across types of securities	The FIRST Plan will be structured to achieve the fund's investment objectives as stated above and, in this context, to optimize RAR, the typical portfolio allocation may include: 1. **Stable AAA-BBB Corporate Bonds:** A significant portion of the portfolio may be allocated in this risk bucket. These are largely listed debt securities issued by healthy corporations with strong financial parameters looking to access the debt capital markets to raise lower duration financing vis-à-vis the typical enterprise level debt they might be able to raise at lower costs. 2. **Government and PSU Bonds:** These would largely be GSecs / T Bills etc which are sovereign / almost sovereign status securities. To provide a degree of safety and stability, a portion of the portfolio may be allocated to such securities. While these typically offer lower yields compared to other corporate bonds, they contribute to diversification and help manage overall portfolio and liquidity risks. 3. **Commercial Paper (CP):** The Plan may also allocate a portion of its portfolio to subscribing to short-term CP issuances of 3-12 months with a view to boost fee income for the Plan and also to maintain short-term liquidity. 4. **Cash and Cash Equivalents:** While the primary focus is on income generation, maintaining liquidity is essential. A portion of the portfolio may be allocated to cash and cash equivalents to meet redemption requests and take advantage of new investment opportunities. This bucket would include highly liquid GSecs / T Bills etc. 5. **Listed PTCs:** A portion of the portfolio may be allocated to listed and rated PTCs The specific allocation percentages across these types of securities will depend on market conditions, interest rate outlook, credit risk assessments, and the Plan's overall strategy.
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index
Indicative tenure or investment horizon	3 years
Other salient features, if any	In addition to the allocation across various types of securities, the Sundaram Alternates Debt PMS strategies may encompass several other salient features such as: 1. **Customization:** PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients. The IM may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 25-100 crores. 2. **Liquidity Management:** The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural back-stops to meet redemption requests and capitalize on new investment opportunities. 3. **Regular Reporting and Communication:** Investors will receive regular reports and updates on the performance of the portfolio. The IM may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments. 4. **Exit Load Structure:** Given that the IM is looking to create 2-3 year duration portfolios, the PMS plans are likely to have an exit load structure, particularly for redemptions within a short period. This is designed to encourage investors with a medium term investment horizon and optimize yields from the Debt PMS plans. It is essential for investors considering the Sundaram Alternates Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the IM are crucial aspects of making informed investment decisions.

Investment Approach	Sundaram Alternates Fixed Income Rated Short Term ('FIRST') Plan – Bespoke
Investment Theme	Debt
Investment objective	The investment objective of the FIRST Plan is to facilitate customization within the portfolio construct to align with the risk appetite of respective investors and create a stable, income-generating portfolio of G-Secs and/or listed fixed income instruments rated between AAA to BBB with reasonable liquidity features. FIRST aims to provide investors with an opportunity to participate in a risk-adjusted returns ('RAR') portfolio that is well diversified with an option of periodic income distributions, while maintaining a focus on capital preservation. The plan emphasizes on constructing a well-rated portfolio across various maturities, high-grade credit, and well-capitalised issuers, with the goal of optimizing RAR. The Investment Manager ('IM') will employ rigorous credit analysis and risk management strategies to identify such opportunities while managing potential credit risks effectively. Investors in this plan can expect a steady stream of income through coupon payments, along with the potential to generate risk and inflation adjusted returns.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc.	Primarily listed debt, G-Secs and PTC securities. Temporary investments into Liquid funds will be done only to manage liquidity and as a treasury plan.
Basis of selection of such types of securities as part of the investment approach	The selection of securities for the FIRST Plan will be guided by: 1. **Focus on safety / capital preservation:** The primary emphasis of this plan is on well-rated debt instruments, which typically offer option of periodic coupon rates. The IM selects securities with the potential for predictable yields aiming to generate a steady stream of income for investors with an option to re-invest or receive distribution of such income. 2. **Diversification:** Diversification will be a key driver for portfolio creation. The portfolio will include a mix of rated securities across various maturities, credit parameters identified by the IM and RAR to spread risk and enhance the overall stability of the portfolio. 3. **Credit Risk Management:** While seeking to improve portfolio yields, the IM will actively manage potential credit risks through constant credit analysis, market feedback on creditworthiness of issuers and benchmarking to RARs based on market events with a view to balance returns and safety. 4. **Maturity Profile:** The FIRST Plan will look to blend durations of various tenure with the IM's outlook on rates and liquidity. 5. Yield-to-Maturity (YTM) Considerations: The FIRST Plan will participate in both secondary trades as well as primary issuances so as to be able to invest into both 'hold to maturity' trades as well as being able to sell-down to lock-in attractive returns if the opportunities are available. 6. **Active Management:** The plan will employ an active management approach, enabling an adaptive portfolio in response to changing market dynamics. Regular monitoring and adjustments will be made to optimize the balance between yield generation and risk mitigation. 7. **Risk Management:** Robust risk management strategies will be implemented to identify and mitigate potential risks associated with securities. This includes a thorough assessment of liquidity risk, interest rate risk, and other factors that may impact the stability of the portfolio. In addition, the Plan may explore the use of credit default swaps as a form of insurance against potential defaults on the underlying debt securities, to the extent feasible. By integrating these principles into the investment approach, the FIRST Plan aims to provide investors with an income-focused strategy and being able to lock-in reasonably attractive RARs while managing associated risks effectively.
Allocation of portfolio across types of securities	The FIRST Plan will be structured to achieve the fund's investment objectives as stated above and, in this context, to optimize RAR, the typical portfolio allocation may include: 1. **Stable AAA-BBB Corporate Bonds:** A portion of the portfolio may be allocated in this risk bucket. These are largely listed debt securities issued by healthy corporations with strong financial parameters looking to access the debt capital markets to raise lower duration financing vis-à-vis the typical enterprise level debt they might be able to raise at lower costs. 2. **Government and PSU Bonds:** These would largely be GSecs / T Bills etc which are sovereign / almost sovereign status securities. To provide a degree of safety and stability, a portion of the portfolio may be allocated to such securities. While these typically offer lower yields compared to other corporate bonds, they contribute to diversification and help manage overall portfolio and liquidity risks. 3. **Commercial Paper (CP):** The Plan may also allocate a portion of its portfolio to subscribing to short-term CP issuances of 3-12 months with a view to boost fee income for the Plan and also to maintain short-term liquidity. 4. **Cash and Cash Equivalents:** While the primary focus is on income generation, maintaining liquidity is essential. A portion of the portfolio may be allocated to cash and cash equivalents to meet redemption requests and take advantage of new investment opportunities. This bucket would include highly liquid GSecs / T Bills etc. 5. **Listed PTCs:** A portion of the portfolio may be allocated to listed and rated PTCs. The specific allocation percentages across these types of securities will depend on market conditions, interest rate outlook, credit risk assessments, and the Plan's overall strategy.
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index
Indicative tenure or investment horizon	3 months - 4 years.
Other salient features, if any	In addition to the allocation across various types of securities, the Sundaram Alternates Debt PMS strategies may encompass several other salient features such as: 1. **Customization:** PMS often provides a certain level of customization based on the risk profile, investment objectives, and preferences of individual clients. The IM may tailor the portfolio to align with the specific financial goals of each investor and create bespoke portfolios based on the requirements of larger clients with mandates say INR 25-100 crores. 2. **Liquidity Management:** The Debt PMS strategies are expected to incorporate liquidity management strategies, to ensure that there are adequate liquid assets within the portfolio or structural back-stops to meet redemption requests and capitalize on new investment opportunities. 3. **Regular Reporting and Communication:** Investors will receive regular reports and updates on the performance of the portfolio. The IM may communicate investment strategies, market insights, and other relevant information to keep investors informed about their investments. 4. **Exit Load Structure:** Given that the IM is looking to create medium to long term portfolios, the PMS plans are likely to have an exit load structure, particularly for redemptions within a short period. This is designed to encourage investors with a medium-long term investment horizon and optimize yields from the Debt PMS plans. It is essential for investors considering the Sundaram Alternates Debt PMS plans to thoroughly review the specific features outlined in the offering documents and have a clear understanding of how the underlying strategy aligns with their investment goals and risk tolerance. Due diligence and communication with the IM are crucial aspects of making informed investment decisions.

Investment Approach	Liquid Strategy
Investment Theme	Debt
Investment objective	To provide investors the flexibility to stagger their investments in the PMS strategy. Option to invest funds into liquid and / or overnight funds thereby enabling the client to switch into equity strategies as per his/her requirement throughout the investment term.
Description of types of securities e.g. equity or debt listed or unlisted, convertible instruments, etc	Liquid and / or overnight funds
Basis of selection of such types of securities as part of the investment approach	Short-term for temporary holdings
Allocation of portfolio across types of securities	Up to 100% in liquid and / or overnight funds
Appropriate benchmark to compare performance and basis for choice of benchmark	CRISIL Composite Bond Fund Index The strategy will invest in liquid and or overnight funds. Hence, we had selected the above benchmark
Indicative tenure or investment horizon	Short-term (< 1year)
Other salient features, if any	Nil

Rationale for selecting the benchmark

Among the options given by Association of Portfolio Managers in India (APMI), S&P BSE 500 fits the best Primary benchmark. to our equity strategies and CRISIL Composite Bond Fund Index for our debt strategies.

Among the options given by Association of Portfolio Managers in India (APMI), Nifty Midcap 150, Nifty Smallcap 250, fits the best secondary benchmark to our equity strategies.

iii. The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines. - NIL

6. RISK FACTORS

A. General Risks Factors

(1) Investment in Securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.

(2) The Portfolio Manager does not assure that the objectives of any of the Investment Approach will be achieved and investors are not being offered any guaranteed returns. The investments may not be suitable to all the investors.

(3) [Past performance of the Portfolio Manager does not indicate the future performance of the same or any other Investment Approach in future or any other future Investment Approach of the Portfolio Manager. [OR] The

(4) The names of the Investment Approach do not in any manner indicate their prospects or returns.

(5) Appreciation in any of the Investment Approach can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of any Investment Approach may also be affected due to any other asset allocation factors.

(6) When investments are restricted to a particular or few sector(s) under any Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the Portfolio value will be adversely affected.

(7) Each Portfolio will be exposed to various risks depending on the investment objective, Investment Approach and the asset allocation. The investment objective, Investment Approach and the asset allocation may differ from Client to Client. However, generally, highly concentrated Portfolios with lesser number of stocks will be more volatile than a Portfolio with a larger number of stocks.

(8) The values of the Portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.

(9) The Portfolio Manager shall act in fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing in a manner which is not detrimental to the Client.

B. Risk associated with equity and equity related instruments

(10) Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government, taxation laws, political, economic or other developments, which may have an adverse impact on individual Securities, a specific sector or all sectors. Consequently, the value of the Client's Portfolio may be adversely affected.

(11) Equity and equity related instruments listed on the stock exchange carry lower liquidity risk, however the Portfolio Manager's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio Manager to make intended Securities purchases due to settlement problems could cause the Client to miss certain investment opportunities. Similarly, the inability to sell Securities held in the Portfolio may result, at times, in potential losses to the Portfolio, should there be a subsequent decline in the value of Securities held in the Client's Portfolio.

(12) Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.

C. Risk associated with debt and money market securities

(13) <u>Interest Rate Risk</u>

Fixed income and money market Securities run interest-rate risk. Generally, when interest rates rise, prices of existing fixed income Securities fall and when interest rate falls, the prices increase. In case of floating rate Securities, an additional risk could arise because of the changes in the spreads of floating rate Securities. With the increase in the spread of floating rate Securities, the price can fall and with decrease in spread of floating rate Securities, the prices can rise.

(14) <u>Liquidity or Marketability Risk</u>

The ability of the Portfolio Manager to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The Securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these Securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

(15) 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 interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on government Securities which are sovereign obligations and free of credit risk. 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.

(16) Reinvestment Risk

This refers to the interest rate risk at which the intermediate cash flows received from the Securities in the Portfolio including maturity proceeds are reinvested. Investments in fixed income Securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

D. Risk associated with derivatives instruments

(17) The use of derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies.

(18) Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price of interest rate movements correctly. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Other risks include settlement risk, risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Portfolio Manager may not be able to sell or purchase derivative quickly enough at a fair price.

E. Risk associated with investments in mutual fund schemes

(19) Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the schemes will be achieved. The various factors which impact the value of the scheme's investments include, but are not limited to, fluctuations in markets, interest rates, prevailing political and economic environment, changes in government policy, tax laws in various countries, liquidity of the underlying instruments, settlement periods, trading volumes, etc.

(20) As with any securities investment, the NAV of the units issued under the schemes can go up or down, depending on the factors and forces affecting the capital markets.

(21) Past performance of the sponsors, asset management company (AMC)/fund does not indicate the future performance of the schemes of the fund.

(22) The Portfolio Manager shall not be responsible for liquidity of the scheme's investments which at times, be restricted by trading volumes and settlement periods. The time taken by the scheme for redemption of units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the schemes.

(23) The Portfolio Manager shall not be responsible, if the AMC/ fund does not comply with the provisions of SEBI (Mutual Funds) Regulations, 1996 or any other circular or acts as amended from time to time. The Portfolio Manager shall also not be liable for any changes in the offer document(s)/scheme information document(s) of the scheme(s), which may vary substantially depending on the market risks, general economic and political conditions in India and other countries globally, the monitory and interest policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

(24) The Portfolio Manager shall not be liable for any default, negligence, lapse error or fraud on the part of the AMC/the fund.

(25) While it would be the endeavor of the Portfolio Manager to invest in the schemes in a manner, which will seek to maximize returns, the performance of the underlying schemes may vary which may lead to the returns of this portfolio being adversely impacted.

(26) The scheme specific risk factors of each of the underlying schemes become applicable where the Portfolio Manager invests in any underlying scheme. Investors who intend to invest in this portfolio are required to and are deemed

to have read and understood the risk factors of the underlying schemes.

F. Risk arising out of Non-diversification

(27) The investment according to investment objective of a Portfolio may result in concentration of investments in a specific security / sector/ issuer, which may expose the Portfolio to risk arising out of non-diversification. Further, the portfolio with investment objective to invest in a specific sector / industry would be exposed to risk associated with such sector / industry and its performance will be dependent on performance of such sector / industry. Similarly, the portfolios with investment objective to have larger exposure to certain market capitalization buckets, would be exposed to risk associated with underperformance of those relevant market capitalization buckets. Moreover, from the style orientation perspective, concentrated exposure to value or growth stocks based on the requirement of the mandate/strategy may also result in risk associated with this factor.

G. Risk arising out of investment in Associate and Related Party transactions

(28) During the financial year ended 31st March 2025, there are no transactions in securities by portfolio manager and its employees who are directly involved in investment operations having conflict of interest with the transactions in any of the client's portfolio.

(29) The Portfolio Manager may utilize the services of its group companies or associates for managing the portfolios of the client. In such scenarios, the Portfolio Manager shall endeavor to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates by ensuring that such dealings are at arm's length basis.

(30) The Portfolios may invest in its Associates/ Related Parties relating to portfolio management services and thus conflict of interest may arise while investing in securities of the Associates/Related Parties of the Portfolio Manager. Portfolio Manager shall ensure that such transactions shall be purely on arms' length basis and to the extent and limits permitted under the Regulations. Accordingly, all market risk and investment risk as applicable to securities may also be applicable while investing in securities of the Associates/Related Parties of the Portfolio Manager.

H. RISK FACTORS

(31) Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the investments will be achieved.

(32) Past performance of the portfolio manager does not indicate the future performance.

(33) As with any investment in securities, the value of the Portfolio can go up or down depending on the factors and forces affecting the capital market.

(34) The investment made by the Portfolio Manager is subject to the risk arising from the investment objective, investment approach /strategy and asset allocation.

(35) The investment made by the Portfolio Manager is subject to Risk arising out of non-diversification, if any.

(36) During the financial year ended 31st March 2025, there are no transactions in securities by portfolio manager and its employees who are directly involved in investment operations having conflict of interest with the transactions in any of the client's portfolio.

(37) Sundaram Alternate Assets Limited also acts as the Investment Manager for:

i) Sundaram Alternative Investment Trust, a trust organized in India and registered with SEBI as a Category III – Alternative Investment Fund, vide registration number IN/AIF3/16-17/0291.

ii) Sundaram Category II Alternative Investment Trust, a trust organized in India and registered with SEBI as a Category II – Alternative Investment Fund, vide registration number IN/AIF2/17-18/0340.

Appropriate controls are in place to manage conflicts and potential conflicts between PMS and AIF activities to ensure clients'interest are protected at all times.

(38) Securities investments are subject to market and other risks and there can be no guarantee against loss resulting from investments made by the Portfolio Manager. The various factors which may impact the value of the portfolio manager's investments include, but are not limited to fluctuations in the equity and bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc. The portfolio manager does not guarantee or assure any returns.

(39) Investment decisions made by the Portfolio Manager may not always be profitable.

(40) The tax implications described in this disclosure document are available under the present taxation laws subject to conditions. The information given is for general purpose only and based on advice received by the Portfolio Manager on the prevalent laws and practice in India. Such laws or their interpretation are subject to change. However, each individual investor/client is advised to consult his/her/their own professional tax advisor.

(41) Prospective investors should review/ study this disclosure document carefully in its entirety and shall not construe its contents hereof or regard the summaries contained herein as advice relating to legal, taxation, financial/investment matters and are advised to consult their own professional advisors on the various aspects of

their investments/holdings/disposal along with its tax implications before making an investment decision.

(42) The investment in Indian capital market involves above average risk for investors compared with other types of investment opportunities. Investments will be of a longer duration compared to trading in securities. There is a possibility of the value of investment and the income therefrom falling as well as rising depending upon the market situation. There is also risk of total loss of value of an asset, possibilities of recovery of loss in investments only through legal process.

(43) The investments made are subject to external risks such as war, natural calamities, technology updation/ obsolescence, policy changes in local and international markets and the like.

(44) The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the PMS products.

I. SECTOR SPECIFIC RISKS

Strategy specific risk factors common to Rising Stars, Voyager, SISOP, SELF, SUNIOP, SITP and Quant

Liquidity Risk: Mid and small cap stocks are generally illiquid in terms of trading volumes on stock market. Illiquidity risks are higher for small cap stocks. This may result in higher impact costs. Impact costs are those costs that are incurred for acquiring and disposing off the stocks. These are different from brokerage and custodian charges. The scheme does not guarantee that impact cost will be minimized or eliminated.

Volatility Risk: Mid and small cap stocks are more susceptible to volatility due to their size. It takes less volume to move prices and common for price of a small cap stock to fluctuate significantly.

Economic / Business Risk: Mid and small cap stocks due to their smaller size are more susceptible to economic downturns. This can be due to a variety of reasons like inability to get credit, lack of scale, etc., which can result in their going out of business exposing the portfolio to losses. Also, these companies do not have a well-established position in the industry exposing them to heightened risk from competition, change in govt policy, change in rules and regulations in the industry, etc.,Also in the case of Quant strategy, the rule may throw up investments in companies with poor economic and business outlook. Investing in these companies may lead to capital losses.

Concentration Risk: The portfolio will have a limited number of stocks and hence has higher risk. Further due to limited number of stocks the portfolio may not also be diversified in terms of sectors, thereby exposing the portfolio to risk of concentration.

Further, in the case of SUNIOP, Multicap and Quant Strategies, although investments may be across the cap curve, it is possible that a single cap curve may have a high allocation, thereby nullifying / reducing the diversification benefit.

Corporate governance risk: Information about promoters of mid and small cap companies are less publicly available and in spite of conducting due diligence it is possible that the promoters may indulge in activities that are not in favor of the minority shareholders, have poor corporate governance standards overall and in some cases may turn out to be outright fraudulent. If the portfolio has invested in such stocks, its value can see a sharp decline.

Performance risk: A portion of the assets may be invested directly or indirectly in companies in highly competitive markets or product segments dominated by firms with substantially greater financial and technical resources. Companies in which the strategy invests may operate in product segments that face technological changes and/or may be dominated by other firms or organizations.

These and other inherent business risks could affect the performance of these companies and affect the value of investments, thereby affecting the strategy as a whole due to their involvement in these companies.

In the case of Quant Strategy, there is no guarantee that quant and rule based investment strategy will lead to better performance. It is possible that this fund may under perform other non-quant based strategies / funds.

Nature of Investments: Some of the investments made by the strategy will be in companies with low market capitalization whose securities may be less liquid than other companies. The risk of investing in such companies is much greater than the risk of investing in companies with larger market capitalization.

Portfolio Risk: The portfolio could have investments spread by geographic region or asset type with varying exit horizons. Poor performance by even a few of these investments could lead to adverse effects on the portfolio's overall returns. The portfolio could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Portfolio Value Considerations: The NAV per Unit is expected to fluctuate over time with the performance of the applicable portfolio investments. An investor may not fully recover his initial investment when he chooses to redeem his Units if the NAV per Unit at the time of such redemption is less than the subscription price paid by such Unitholder.

Deployment Risk: Owing to the market conditions, the strategy may not be able to identify assets to deploy capital and therefore the same may be a deterrent factor to achieve any targets laid down.

Also in the case of Quant Strategy, it is possible that the rule may break down and there can be periods where the rule is not able to suitably identify investments. This may lead to funds not being deployed.

Reliance on the Investment Manager: The Investment Manager shall manage the assets and will take its investments and divestment decisions for the strategy. The investors will not be able to make investment or other decisions in connection with their portfolio except those specified in their application to the manager. Therefore, the success of the portfolio will depend upon the ability of the Investment Manager to source, select, complete and realize appropriate investments.

In the case of the Quant Strategy, the success of the portfolio will also depend upon the robustness of the rule based approach to select appropriate investments.

Past Performance is not an assurance for Performance of the Fund: Past performance of the Investment Manager and existing strategies managed is not an indication of the future performance. Investors are not being offered assured returns or revocation, and there will be no recourse to the Trustee, Investment Manager or the Sponsor.

J. Other risk factors in the case of Quant strategy:

Reliance on Historical back Testing: The fund would primarily be investing in equity and equity related securities where portfolio construction and periodic rebalancing will be based on quantitative models. These models are based on historic correlations of set of parameters with price movements of stocks and markets. The models may fail to give optimal returns as the past is not always a good indicator of the future and models may not be able to anticipate future events.

Rule Based Investments: Investment strategy of Quant Funds is essentially rule-based, driven by algorithms developed on basis of historical relations of multiple factors with stock price movements. Rule based models may not always be able to correctly predict he market and may give wrong signals which may result in losses. Also, the rule may miss opportunities and may lead to wrong opportunities all of which may result in loss of capital.

Timing the Market: Another risk that can emanate from a rule based investment strategy would be it inherently may try to time the market. Timing the market is fraught with uncertainty and may lead to losses.

Mismatch Risk: The fund may use techniques and instruments for efficient portfolio management and to attempt to hedge or reduce the risk. However, these techniques and instruments if imperfectly used have the risk of the fund incurring losses due to mismatches, particularly in a volatile market.

High Churn: The nature of the rules may be such that it may involve a high churn in the portfolio with resultant trading and other costs which may not be in the interest of the investors.

Poor stock selection: The rule may throw up investments in fundamentally poor companies or companies with poor governance. Investing in these companies based on rules may lead to loss of capital.

Interest Rate Risk: As with debt instruments, changes in interest rate may affect the price of the debt instrument(s) and ultimately fund's Net Asset Value. Generally, the prices of instruments increase as interest rates decline and decrease as interest rates rise.

Indian debt and government securities 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 NAV.

Credit Risk: Credit risk or Default risk refers to the risk that an issuer of a fixed income security may default (i.e. the issuer will be unable to make timely principal and interest payments on the security). Normally, the value of fixed income securities will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default and thereby leading to possible movements in the NAV.

K. Strategy specific risk factors common to Alpha Equity

Liquidity Risk: Liquidity risk is low as portfolio can be easily liquidated as average market cap of companies is above 10000 crores.

In the case of Alpha Equity, the portfolio can be easily liquidated in 3 business days.

Volatility Risk: Volatility risk is low as standard deviation is in line with the benchmark.

Economic / Business Risk: Business risk is low as we invest in established companies which have seen cycles.

Corporate governance risk: Low as we invest in established organization with very high corporate governance.

Portfolio Risk: Low as portfolio level it is well diversified.

Portfolio Value Considerations: There is effective tracking, forecasting and performance comparison of the portfolio with the benchmark.

Deployment Risk: Low as investment is in fairly large companies. Deployment is easily possible.

Reliance on the Investment Manager: Portfolio manager has the discretion on the stock selection provided the process as defined at the inception of the fund is followed.

Concentration Risk: Concentration risk is low as portfolio risk well diversified. Concentration risk is high in the case of India Equity as we take high conviction bets.

Performance risk: Medium. High in the case of India Equity due to concentration bets.

Risk Factors - Securities Lending

Securities Lending means the lending of securities to another person or entity for a fixed period of time at a negotiated compensation in order to enhance returns of the portfolio. The borrower will return the securities lent on the expiry of the stipulated period or the lender can call the same back i.e. the scheme before its expiry. Subject to the limits prescribed by SEBI, the fund may lend the securities for a specific period to generate better returns on those stocks which are otherwise bought with the intention to hold for a long period of time.

L. Risk Factors - Repo in Corporate Bond

In accordance with SEBI circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and CIR/IMD/DF/23/2012 dated November 15, 2012, Sundaram Liquid Fund and Sundaram Overnight Fund (schemes of Sundaram Mutual Fund) where the strategy/ies invest, may participate in the corporate bond repo transactions as per applicable guidelines. The investment restrictions applicable to the scheme' s participation in the corporate bond repos will also be as prescribed or varied by SEBI from time to time.

Applicable guidelines as prescribed by the necessary Regulatory authorities and internally by the company shall be followed.

Risk envisaged and mitigation measures for repo transactions: Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a Delivery Vs Payment basis.

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may only in remote cases suffer losses.

M. Liquid Strategy Risk

Changes in the prevailing rates of interest are likely to affect the value of the Scheme's holdings and consequently the value of the Scheme's units. Investing in the scheme will be subject to Credit risk, Liquidity risk, Interest rate risk etc. Also, the Scheme may use derivative instruments such as Interest rate Swaps, Forward rate agreements or other derivative instruments for the purpose of hedging and portfolio balancing and trading, as permitted under the regulations and guidelines. Usage of derivatives will expose the Scheme to certain risks inherent to such derivatives. Thus, there is risk of capital loss. Further the Scheme can invest in Repo in Corporate debt, Credit Default Swaps and engage in Securities lending all of which entails risks which can impact the performance of the scheme and the value of the Scheme's units.

Interest Rate Risk: Changes in the prevailing rates of interest may affect the value of the Scheme's holdings and consequently the value of the Scheme's Units. Increased rates of interest, which frequently accompany inflation and /or a growing economy, may have a negative effect on the value of the Units.

Credit Risk: Credit Risk refers to the risk of failure of interest (coupon) payment and /or principal repayment. All debt instruments carry this risk.

Price Risk: As long as the Scheme remains invested, its Net Asset Value (NAV) would be exposed to market fluctuations, and its value can go up as well as down. These price changes may occur due to instrument- specific factors as well as general macroeconomic conditions. In general, price of fixed-income securities goes up when interest rates fall, and vice versa.

Market Risk: The Scheme may also be subject to price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity.

Liquidity Risk: A lower level of liquidity affecting an individual security (ies) or an entire market may have an adverse bearing on the value of the Scheme's assets.

Risk relating to investment pattern: Different types of securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme's risk may increase or decrease depending upon its investment pattern.

Risks relating to duration: Fixed Income securities of any issuer that has higher duration could be more risky in terms of price movements relative to those with lower duration

Limited Liquidity & Price Risk: Presently, secondary market for 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 investor to resell them.

Limited Recourse, Delinquency and Credit Risk: Securitised transactions are normally backed by a 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 Pay outs may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.

Credit Rating of the Transaction / Certificate: The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

N. Risk Factors: Derivatives

Counter Party Risk: This is the risk of default of obligations by the counter party.

Market risk: Derivatives carry the risk of adverse changes in the market price.

Liquidity risk: The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

Basis Risk: The risk that the movements in swap rates does not actually reflect the expected movement in benchmark rates, thus, creating a mismatch with what was intended.

The guidelines issued by Reserve Bank of India from time to time for forward rate agreements, interest rate swaps, futures and other derivative products would be adhered to. The Scheme may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI/RBI, in an attempt to protect the value of the portfolio. As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialised instruments that require investment techniques and risk analysis. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying instrument could have a large impact on their value. Also, the market for derivative instruments is nascent in India. The Scheme may use techniques such as interest rate swaps, options on interest rates, futures, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI regulation. These techniques and instruments, if imperfectly used, have the risk of the Scheme incurring losses due to mismatches, particularly in a volatile market.

The Scheme ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any).

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of the fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Please note the above mentioned risks are indicative and not exhaustive and there may be risks which are force majeure over which the fund manager does not have any control on. There may be risks which the fund manager may not be aware of and he/she may not be responsible for such omission.

For risk relating to co-investment, please refer to the Private Placement Memorandum (PPM) of the respective schemes.

O. Debt PMS Risk Factors:

Debt PMS Plans offered by Sundaram Alternates will have underlying portfolios constructed using either High yield strategy or Long-Term strategy or combination of both the strategies in certain proportions. Portfolios under Debt PMS plans would invest in Debt, Money Market and Securitized instruments issued by Corporates, Financial Institutions, Special Purpose Vehicles and by Central or State governments. Debt PMS plans may also use various interest rate and credit derivative instruments permitted by the applicable regulations. As is the case with above mentioned debt investments, Debt PMS strategy's fixed income portfolio is subject to credit, liquidity, and price risks. All these risks may lead to either permanent loss of capital or temporary mark to market losses.

Interest Rate / Duration / Price Risks:

Debt investment is subject to price volatility due to changes in interest rates, especially if the RBI changes its policy stance. Interest rate risk also results from changes in demand and supply for money and other macroeconomic factors and create price changes in the value of the debt instruments. Consequently, the value of the strategy may be subject to fluctuation. Generally, prices of long term securities fluctuate more in response to interest rate changes than short term securities. As the portfolio manager shall be investing mostly with a hold-to-maturity mindset and are comfortable with the carry yield, the intermediate price fluctuations are not major concerning factors from a long-term perspective.

Credit Risk / Repayment Risk:

Securities carry a Credit risk of repayment of principal or interest by the issuer of the security depending on the ability and willingness of the issuer to the payment of interest and repayment of the principal. This risk depends on micro-economic factors such as financial soundness and ability of the borrower as also macro-economic factors such as Industry performance, Competition from Imports, Competitiveness of Exports, Input costs, Trade barriers, Favorability of Foreign

Currency conversion rates, legal & regulatory conditions, etc. Willingness of the issuer also depends on their governance and control structure, values, legacy and integrity of the promoters and the management, prudence in strategy etc.,

Credit risks of most issuers of Debt securities are rated by Independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from “AAA” (read as “Triple A” denoting “Highest Safety”) to “D” (denoting “Default”), with about six distinct ratings between the two extremes. The highest credit rating (i.e. lowest credit risk) commands a low yield for the issuer. Conversely, the lowest credit rated issuer can raise funds at a relatively higher cost. Debt and money market instruments also face the risks of downgrade of their credit rating which results in increase in their yield due to to expansion of credit spreads.

This results in a decline in the market value of such instruments. Moderating exposure to well-defined issuer specific limits along with a holistic and regular review of the issuer company and the management enables the portfolio manager to manage the credit risk.

Spread Risk:

In a floating rate security, the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security. Another type of spread is the credit spread in conventional securities like Corporate Bonds or Commercial Papers, depending upon the perception of the credit risk of the issuer of the securities the credit spread may either expand or contract dynamically. In the case of expansion of credit spreads the yield of the securities will also go up resulting in negative price movement of the debt or money market securities.

Liquidity or Marketability Risk:

This refers to the ease at which a security can be sold at or near its true value. The Portfolio Manager may invest in non-publicly offered debt traded on a recognized stock exchange and / or money market Securities. This may expose the individual securities of Client’s Portfolio or the entire portfolio of the client to liquidity risks. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading Volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Strategy.

Different segments of the Indian financial markets have different settlement periods, and such period may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. As liquidity of the investments made by the portfolio manager could, at times, be restricted by trading volumes and settlement periods, the time taken by the Fund for redemption of units may be significant in the event of an inordinately large number of redemption requests or restructuring of the portfolio. Illiquidity of corporate / NBFC debt and money market instruments, given the lack of depth & breadth of debt and money markets in India, is something inherent in such instruments. Nevertheless, the portfolio manager would endeavor to expand our panel of market intermediaries to help the portfolio manager create liquidity in case the need arises.

Reinvestment Risk:

Investments in debt instruments are subjective to reinvestment risks as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

Pre-payment Risk:

Certain fixed income securities such as callable bonds, asset backed securities (ABS) etc., give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates or pre-pay part of the principal if the underlying loan assets may such pre-payments. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

Concentration Risk:

The investment objective and investment approach could result in concentration of a specific sector / issuer/ credit rating/ instrument type/ corporate group/ maturity bucket / duration bucket etc., which could expose the clients’ assets to risks arising out of non diversification, including improper and/or undesired concentration of investment risks. The portfolio Manager recognizes that diversification of risk through allocation of capital across multiple investments is essential. However, the actual limits with reference to any specific investment are left to the judgment of the Portfolio Manager. While this provides flexibility to optimize investment returns it could potentially have an adverse impact in the event of underperformance related to a large exposure, if any.

Risk factors associated with Debt Derivatives:

The Portfolio Manager may utilize debt derivative instruments such as Credit Default Swaps, Interest Rate Swaps, Interest Rate Futures etc., for the purpose of hedging credit risk and interest rate risks or for tactical opportunities. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. There are certain risks inherent in aforesaid derivatives instruments. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Identification and execution of the strategies to be pursued by the Portfolio

Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. Trading in Derivatives has the following risks: (i) An exposure to Derivatives more than the hedging requirements can lead to losses. (ii) exposure to Derivatives, when used for hedging purposes, can also limit the profits in case of non-occurrence of the anticipated risk event (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity risk i.e., risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market. Derivatives also are exposed to Basis Risk which arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying being hedged for e.g. mismatch between the maturity date of the futures and the actual maturity or coupon date of the asset.

Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with bonds. The use of a Derivative requires an understanding not only of the underlying instrument but of the Derivative itself.

Derivatives require the maintenance of adequate controls to monitor the transactions entered, the ability to assess the risk that a Derivative adds to the Portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the Portfolio because of the failure of the counterparty to the derivative contract to comply with the terms of the Derivatives contract. Other risks in using Derivatives include the risk of mispricing or improper valuation of Derivatives and the inability of Derivatives to correlate perfectly with underlying Assets, rates, and other intended factors.

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

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

- Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms such as guarantee, shortfall undertaking, letter of comfort, pledge of shares listed on stock exchanges etc. from the issuers, promoters, or another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating.

  SO, transactions are asset backed/ mortgage-backed securities, securitized paper backed by hypothecation of loan receivables, securities backed by trade receivables, credit card receivables etc. In the case of SO rated issuer, the underlying loan pools, or securitization, etc. is assessed to arrive at rating for the issuer.
- **Liquidity Risk:** SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is low as compared to similar rated debt instruments. Hence, lower liquidity of such instruments could lead to the inability of the Debt PMS Plan to sell such debt instruments and generate liquidity for the Debt PMS Plan or higher impact cost when such instruments are sold. Where equity shares are provided as collateral there is the risk of sharp price volatility of underlying securities which may lead to erosion in value of collateral as also low liquidity of the underlying shares which may affect the ability of the fund to enforce collateral and recover capital and interest obligations.
- **Credit Risk:** The credit risk of debt instruments which are CE rated derives from a rating based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to the inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In the case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore, apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

Risks associated with Securitized Debt:

The Debt PMS plans offered by Sundaram Alternates may from time to time invest in domestic securitized debt, for instance, in asset backed securities (ABS) or mortgage-backed securities (MBS). Typically, investments in securitized debt carry credit risk (where credit losses in the underlying pool exceed credit enhancement provided, (if any) and the reinvestment risk (which is higher as compared to the normal corporate or sovereign debt). The underlying assets in securitized debt are receivables arising from automobile loans, personal loans, loans against consumer durables, loans backed by mortgage of residential / commercial properties, underlying single loans etc. ABS/MBS instruments reflect the proportionate undivided beneficial interest in the pool of loans and do not represent the obligation of the issuer of ABS/MBS or the originator of the underlying receivables.

Risks in various types of underlying loans of securitized debt instruments are highlighted below:

a) Auto Loans: The underlying assets (cars etc.) are susceptible to depreciation in value whereas the loans are given at high loan to value ratios. Thus, after a few months, the value of assets becomes lower than the loan outstanding. The borrowers, therefore, may sometimes tend to default on loans and allow the vehicle to be repossessed.

   These loans are also subject to model risk i.e. if a particular automobile model does not become popular, loans given for financing that model have a much higher likelihood of turning bad. In such cases, loss on sale of repossession vehicles is higher than usual.

Commercial vehicle loans are susceptible to cyclicality in the economy. In a downturn in the economy, freight rates drop leading to higher defaults in commercial vehicle loans. Further, the secondhand prices of these vehicles also decline in such an economic environment.

b) Housing Loans: Housing loans in India have shown very low default rates historically. However, in recent years, loans have been given at high loan to value ratios and to a much younger borrower class. The loans have not yet gone through the full economic cycle and have not yet seen a period of declining property prices. Thus, the performance of these housing loans is yet to be tested and it need not conform to the historical experience of low default rates.

c) Consumer Durable Loans: The underlying security for such loans is easily transferable without the bank's knowledge and hence repossession is difficult. The underlying security for such loans is also susceptible to quick depreciation in value. This gives the borrowers a high incentive to default.

d) Personal Loans: These are unsecured loans. In case of a default, the bank has no security to fall back on. The lender has no control over how the borrower has used the borrowed money. Further, all the above categories of loans have the following common risks: All the above loans are retail, relatively small value loans. There is a possibility that the borrower takes different loans using the same income proof and thus the income is not sufficient to meet the debt service obligations of all these loans.

In India, there is no ready database available regarding past credit record of borrowers. Thus, loans may be given to borrowers with poor credit record. In retail loans, the risks due to frauds are high.

e) Single Loan PTC: A single loan PTC is a securitization transaction in which a loan given by an originator (Bank/ NBFC/ FI etc.) to a single entity (obligor) is converted into pass through certificates and sold to investors. The primary risk is that of all securitized instruments, which are not traded as often in the secondary market and hence carry an illiquidity risk. The structure involves an assignment of the loan by the originator to the trustee who then has no interest in monitoring the credit quality of the obligor. The investor then must rely on internal credit risk management framework and an external rating agency to monitor the PTC.

Risk factors associated with investments in Perpetual Debt Instrument / Other Subordinated Debt Instruments:

a) Perpetual debt instruments/bonds are issued by Banks, NBFCs (non-bank finance companies) and Corporates to improve their capital profile. Perpetual bonds issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). NBFCs also issue such instruments as per guidelines issued by RBI. There are no regulatory guidelines for issuance of such bonds by Corporates. These instruments do not have a fixed maturity date.

These instruments generally have call option after fixed interval from date of issuance.

The key risks associated with these instruments are highlighted below:

1. Risk of discretionary cancellation or deferring of servicing of the interest
2. Risk of write-down or conversion into equity
3. Risk of instrument not being called by the Issuer

b) Other Subordinated Debt Instruments (OSDI) are issued by Banks and NBFCs. These instruments are also referred to as Tier 2 bonds. These bonds are subordinated to other senior claims of issuing entity. These instruments have a fixed maturity date.

Tier 2 Bonds issued by Banks - under Basel III guidelines of Reserve Bank of India, have a risk of either written off or conversion into common equity, when the Point-Of-Non-Viability trigger is invoked, at the option of the RBI. This clause is not there in the case of NBFCs.

P. Conflict of Interest disclosure

Purchases and Sale of Investments

The Investment Manager manages funds for several PMS strategies and multiple AIFs. Although the investment objective and underlying papers are typically different from strategy to strategy, there could be occasional situations where an identified investment opportunity is common for various strategies. Typically, in such cases, the orders are placed simultaneously for all the strategies subject to availability of cash and limits. At the execution level, the orders are assigned to the dealing team who in turn process it autonomously without assigning priorities to any fund. Such situations are very rare as regards High Yield predominantly invests in debt papers and its allocation to equity and hybrid instruments is quite minimal when compared to the firm's overall AUM.

Investments in Associate Companies

Such transactions will always be at arm's length. The pricing and conditions will be market-driven. Specific approvals from clients would be taken for initiating such investments and appropriate disclosures would be made periodically as per regulations.

Purchases from / Sales to Associate Companies including Sundaram Alternates PMS clients.

From time to time, each of the Sundaram Alternates PMS strategy may engage in secondary market Investment purchases / sales with Associate companies and / or Other PMS / AIFs managed by Sundaram Alternates. The intent behind these transactions is to obtain the required bonds / fixed income instruments in odd lots and / or sell the identified bonds / fixed income instruments in odd lots. As most of the papers that the strategy invests and holds are relatively illiquid and don't have a ready market, the Portfolio Manager will value the security as per the Valuation Guidelines prescribed by SEBI and / or Association of Portfolio Managers in India (APMI).

Q. Risk factors associated with unlisted securities – applicable for large value accredited investors:

The Portfolio Manager may invest in unlisted debt and / or money market Securities. This may expose the individual securities of Client's Portfolio or sizable part of the portfolio of the client to illiquidity risks. Due to scarce demand, the Portfolio Manager may not be in a position to liquidate these unlisted securities during their tenor in the secondary market and may have to solely rely on the issuer of the securities to liquidate them on their maturity date or on their Put/Call date. Even if there is rare a buying interest in the over the counter (OTC) secondary market, the realizable price of the unlisted security is likely to be at a discount compared to a listed security of same or similar maturity issued by the same or similar issuer carrying the same level of credit risk. In addition to the illiquidity risk and price risk, unlisted securities are also inherently prone to governance risk as the transparency levels are low due to lack of disclosure requirements like that of a listed security. Unlisted securities also carry Valuation Risk on an ongoing basis as the fair valuation norms require applying illiquidity discount to such securities compared to a listed security having same or similar maturity and credit risk.

R. Risk Factors - Securitized Debt / Pass Through Certificates

The Strategy proposes investing in securitized debt instruments such as asset backed securities (ABS) and mortgage-backed securities (ABS) which are generally in the form of Pass-Through Certificates (PTC). The investments in domestic securitized debt will be made only after giving due consideration to factors such as but not limited to the securitization structure, quality of underlying receivables, credentials of the servicing agent, level of credit enhancement, liquidity factor, returns provided by the securitized paper vis-a-vis other comparable investment alternatives.

A securitization transaction involves the sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass-Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement as stipulated by the rating agency for a target (rating), which provides protection to investors against defaults by the underlying borrowers.

Although the returns provided by securitized debt could be higher, risks also exist regarding investments in securitized debt.

Investments in pass-through certificates of a securitization transaction represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the issuer or the seller, or the parent of the seller, or any affiliate of the seller or the issuer or the trustee in its personal capacity, save to the extent of credit enhancement to be provided by the credit enhancer.

The securitization trust's principal asset will be the pool of underlying receivables. The ability of the trust to meet its obligations will be dependent on the receipt and transfer to the designated account of collections made by the servicing agent from the pool, the amount available in the cash collateral account, and any other amounts received by the trust pursuant to the terms of the transaction documents. However, the credit enhancement stipulated in a securitization transaction represents a limited loss cover only.

Delinquencies and credit losses may cause depletion of the amount available under the cash collateral account and thereby the scheduled payouts to the investors may get affected if the amount available in the cash collateral account is not enough to cover the shortfall.

Some of the risk factors typically analyzed for any securitization transaction are as follows:

- **Risks associated with underlying assets:**

  Underlying assets in securitized debt may assume different forms and the general types of receivables include repayment of following type of pool of loans such as commercial vehicle loans, two-wheeler loans, car loans, credit card loans, home loans or single corporate loan. Credit risks relating to these types of receivables depend upon various factors including macroeconomic factors of these industries and economies. Specific factors like nature and adequacy of collateral securing these receivables, adequacy of documentation in case of auto finance and home loans and intentions and credit profile of the borrower influence the risks relating to the asset borrowings underlying the securitized debt.

- **Risks associated with pool characteristics:**

  (a) Size of the loan: This generally indicates the kind of assets financed with loans. While a pool of loan assets comprising of smaller individual loans provides diversification, if there is excessive reliance on very small ticket size, it may result in difficult and costly recoveries.

(b) Loan to Value Ratio: This indicates how much percentage value of the asset is financed by borrower's own equity.

The lower LTV, the better it is. This ratio stems from the principle that where the borrower's own contribution of the asset cost is high, the chances of default are lower. To illustrate for a Truck costing Rs. 20 lakhs, if the borrower has himself contributed Rs.10 lakh and has taken only Rs. 10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakhs if he defaults on repaying an installment. This is as against a borrower who may meet only Rs. 2 lakhs out of his own equity for a truck costing Rs. 20 lakhs. Between the two scenarios given above, the latter would have a higher risk of default than the former.

(c) Original maturity of loans and average seasoning of the pool: Original maturity indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. Average seasoning indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consists of those who have already repaid 80% of the instalments without default, this certainly is a superior asset pool than one where only 10% of instalments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

(d) Default rate distribution: This indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

- **Credit Rating and Adequacy of Credit Enhancement:**

  Unlike in plain vanilla instruments, in securitization transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement". The process of "Credit enhancement" is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on securitization.

  Securitization is normally a non-recourse instrument and therefore, the repayment on securitization would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focus on the quality of the underlying assets. The Strategy will predominantly invest in those securitization issuances which have adequate level of safety from credit risk point of view at the time of making an investment. However, there is no assurance by the rating agency either that the rating will remain at the same level for any given period or that the rating will not be lowered or withdrawn entirely by the rating agency.

- **Limited Liquidity & Price Risk:**

  Presently, the secondary market for securitized papers is not very liquid even if the instruments are listed. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor 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.

- **Limited Recourse to Originator & Delinquency:**

  Securitized transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer, or 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 pay outs may be 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 servicer may repossess and sell the underlying Asset. However, many factors may affect, delay, or prevent the repossession of such assets or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that Obligor.

- **Risks due to possible prepayments:**

  Asset securitization is a process whereby commercial or consumer or corporate credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances:

  a. Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or

  b. Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable, or

c. The servicer recognizes a contract as a defaulted contract and hence repossessing the underlying asset and selling the same.

In the event of prepayments by obligors due to reasons including the ones mentioned above investors may be exposed to changes in tenor and yield of their original investment and may face the risk of reinvesting the proceeds from the prepayment at a lower yield.

- **Bankruptcy of the Originator or Seller:**

  If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to trust was not a sale, then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction to minimize the risk of the sale to Trust not being construed as a 'True Sale'. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

- **Bankruptcy of the Investor's Agent:**

  If Investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents to provide that the assets/receivables when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/ receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

- **Risk of co-mingling:**

  The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the loan agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys the adequate credit rating on standalone basis to minimize co-mingling risk.

- **Risks relating to tax incidence on securitization:**

  Income tax authorities may raise a claim on certain securitization SPVs, stating that the gross income of such SPVs is liable to tax which could result in dilution of pay-outs to investors.

S. Know Your Customer (KYC)

SEBI has issued detailed guidelines on 18/01/2006 and measures for Prevention Money Laundering and had notified SEBI (KYC Registration agency) Regulations, 2011 on December 02, 2011 with a view to bring uniformity in KYC Requirements for the securities market and to develop a mechanism for centralization of the KYC records. SEBI has also issued circulars from time to time on KYC compliance and maintenance of documentation pertaining to investors of Portfolio Management Services (PMS).

Accordingly, the following procedures shall apply:

- KYC acknowledgement is mandatory for all investors.
- An application without acknowledgement of KYC compliance will be rejected
- New Investors are required to submit a copy of Income Tax PAN card, address proof and other requisite documents along with the KYC application form to any of the intermediaries to complete KYC.
- The Portfolio Manager shall perform initial KYC of its new investors and send the application form along with the supporting documents to the KYC Registration Agency (KRA).•
- During the KYC process, the Portfolio Manager will also conduct In Person Verification (IPV) in respect of its new investors.
- Investors are required to complete KYC process only once to enable them to invest in PMS.
- Existing Investors, who have already complied with the KYC requirements, can continue to invest as per the current practice.

In case of Non Individuals, KYC needs to be done afresh due to significant and major changes in KYC requirements by using "KYC application form" available for Non-Individuals. Additional details like Nationality, Gross Annual Income or Net worth as on recent date, Politically exposed Person and Non Individuals providing specific services have to be provided in additional KYC details form.

Risk Profile of the Client

Client shall complete the risk profile section furnished in the PMS application form which interalia includes investment experience of the client, overall investment goals, risk tolerance and clients preferred asset allocation.

Central KYC

Central KYC Registry is a centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector with an objective to reduce the burden of producing KYC documents and getting those verified every time when the customer creates a new relationship with a financial entity. KYC means the due diligence procedure prescribed by the Regulator for identifying and verifying the proof of address, proof of identity and compliance with rules regulations, guidelines and circulars issued by the Regulators or Statutory authorities under the Prevention of Money Laundering Act, 2002.

The Central Govt. vide notification dt. Nov, 26, 2015 has authorised Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act as and to perform the functions of the CKYC Registry including receiving, storing, safeguarding and retrieving the KYC records in digital form of a Client. A 14 digit CKYC identification Number (KIN) would be issued as identifier of each client.

As per PMLA (Maintenance of Records) Amendment Rules, 2015, Rule 9(IA), every reporting entity shall within three days after the commencement of an account based relationship with an individual, file the electronic copy of the client's KYC records with the Central KYC Registry. Institutions need to upload the common KYC template along with the scanned copy of the certified supporting documents (PoI/PoA), cropped signature and photograph.

Since the records are stored digitally, it helps institutions de-duplicate data so that they don't need to do KYC of customers multiple times. It helps institutions find out if the client is KYC compliant based on Aadhaar, PAN and other identity proofs. If the KYC details are updated on this platform by one entity, all other institutions get a real time update. Thus, the platform helps firms cut down costs substantially by avoiding multiplicity of registration and data upkeep.

Please note that PAN is mandatory for investing in PMS. If CKYC is done without submission of PAN, then he/she will have to submit a duly self-certified copy of the PAN card along with KIN.

First time investing Financial Sector (New investor) New to KRA-KYC: While on boarding investors who are new to the PMS & do not have KYC registered as per existing KRA norms, such investors should fill up CKYC form. This new KYC form is in line with CKYC form guidelines and requirements and would help to capture all information needed for CKYC as well mandatory requirements for PMS. Investors should submit the duly filled form along with supporting documents, particularly, self-certified copy of the PAN Card as a mandatory identity proof. If prospective investor submits old KRA KYC form, which does not have all information needed for registration with CKYC, such customer should either submit the information in the supplementary CKYC form or fill the CKYC form.

Investors who have obtained the KIN through any other financial intermediary, shall provide the 14 digit number for validation and updating the KYC record.

Ultimate Beneficial Owner:

Pursuant to SEBI Master Circular No. CIR/ISD/AML/3/2010 dated December 31, 2010 on Anti Money Laundering Standards and to Guidelines on identification of Beneficial Ownership issued vide SEBI Master circular no.SEBI /HO /MIRSD /MIRSDSECFATF /P/ CIR/ 2024/ 78 dated June 06, 2024, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ('UBO'). The Ultimate Beneficial Owner means 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to:

i. More than 10% of shares or capital or profits of the juridical person, where the juridical person is a company;

ii. More than 10% of the capital or profits of the juridical person, where the juridical person is a partnership; or

iii. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

iv. In case of a Trust, the settler of the trust, the trustees, the protector, the beneficiaries with 10% or more of interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership is considered as the UBO.

The provisions w.r.t. Identification of UBO are not applicable to the investor or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a listed company.

If you are classified as a passive Non-Financial Foreign Entity (NFFE) for FATCA purposes, while completing the "Declaration for Ultimate beneficial Ownership (UBO)" form please provide details of all the person(s) (excluding those having tax residency in India) having controlling interest in your entity in the "foreign country information" column along with Country of birth, Country of citizenship / Nationality, Country of Tax Residency and Foreign Tax Reference Number for FATCA purposes.

7. Nature of expenses

The following are the general costs and expenses to be borne by the Client while availing the services of the Portfolio Manager. However, the exact quantum and nature of expenses relating to each of the following services is annexed to the Portfolio Management Agreement in respect of each of the services provided.

Expense	Purpose
Portfolio Management fees	Fee relates to the portfolio management services offered and provided to the Clients. The fee may be fixed or performance based or a combination of both as detailed in the Portfolio Management Agreement.
Communication charges	Charges related to custody and transfer of shares, bonds and units and/any other charges in respect of the investment.
Depository/Custodian fee	Charges relating to opening and operation of demat account, dematerialisation, rematerialisation etc.
Registrar and transfer agent fee	Fee payable to R&T agents for effecting transfers of all or any of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and Courier charges.
Brokerage and transaction costs	Brokerage, transaction costs and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies imposed from time to time.
Fee and charges in respect of investment in Mutual Funds	Recovery of any management fee and other incidental expenses such as fees and charges shall be paid to the AMC of the Mutual Fund on behalf of the Client. Such charges are in addition to the fee as described above.
Certification / Professional charges	Charges payable to outsourced professional services like accounting, taxation and any legal services etc.
Securities lending and borrowing	Charges pertaining to lending of securities, costs of borrowing, transfer of securities connected with such operation etc.
Other ancillary/incidental charges	All other charges not recovered above but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client

Note: Fee charged to the Client for PMS services by the Portfolio Manager comes under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961. Hence the Individuals, HUF and Corporate Clients who are covered by the said section will have to deduct Tax at Source at the applicable rates and remit the deducted tax in accordance with Section 194 J. The fees charged by the Portfolio Manager can be a fixed fee or a return based fee or a combination of both as mutually agreed upon between the Client and the Portfolio Manager from time to time. Pursuant to SEBI Cir./IMD/DF/13/2010 dated October 05, 2010 for charging of performance/profit sharing fee, high water mark principle will be followed.

High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.

Custodian/Depository Participant/Portfolio Accounting: The Portfolio Manager shall appoint SEBI registered Custodians and Depository Participants from time to time based on their services/offerings, for the purpose of operating the clients' demat and/or bank accounts. The fees and other charges levied to the clients are subject to actuals as charged by the respective Custodians and DPs. The Portfolio Manager undertakes to maintain Books and records separately in the name of the clients and in accordance with the accounting standards and policies as applicable.

Quantum of Fee

Management Fee (Accrued Daily Billed Monthly)	Upto 5% per annum on client's average daily AUM
Operating Expenses	Not exceeding 0.50% per annum of the client's average daily AUM
Other Expenses	At Actuals
Performance Fee, if applicable:	
Hurdle Rate (High water mark level)	Up to 15%
Performance Fee	Up to 25% of profit over hurdle rate
Exit Charges (FIFO Method):	
Before 12 months from date of investment	Up to 3% on the amount redeemed
From 13th months to 24th month	Upto 2% on the amount redeemed
From 25th month to 36th month	Upto 1% on the amount redeemed

For co-investment portfolio management services and in the case of large value accredited investors, the quantum and manner of exit load applicable shall be governed through bilaterally negotiated contractual terms and the exit charges mentioned above which is as per provisions of paragraph 6.1.4 of the SEBI Master Circular dated 07th June 2024 shall not be applicable.

8. Taxation

A. General

The following information is based on the tax laws in force in India as of the date of this Disclosure Document and reflects the Portfolio Manager's understanding of applicable provisions. The tax implications for each Client may vary significantly based on residential status and individual circumstances. As the information provided is generic in nature, Clients are advised to seek guidance from their own tax advisors or consultants regarding the tax treatment of their income, losses, and expenses related to investments in the portfolio management services. The Client is responsible for meeting advance tax obligations as per applicable laws.

B. Tax deducted at source

In the case of resident clients, the income arising by way of dividend, interest on securities, income from units of mutual fund, etc. from investments made in India are subject to the provisions of tax deduction at source (TDS). Residents without Permanent Account Number (PAN) are subjected to a higher rate of TDS.

In the case of non-residents, any income received or accrues or arises; or deemed to be received or accrue or arise to him in India is subject to the provisions of tax deduction at source under the IT Act. The authorized dealer is obliged and responsible to make sure that all such relevant compliances are made while making any payment or remittances from India to such non-residents. Also, if any tax is required to be withheld on account of any future legislation, the Portfolio Manager shall be obliged to act in accordance with the regulatory requirements in this regard. Non-residents without PAN or tax residency certificate (TRC) of the country of his residence are currently subjected to a higher rate of TDS.

The Finance Act, 2021 introduced a special provision to levy higher rate for TDS for the residents who are not filing income-tax return in time for previous two years and aggregate of TDS is INR 50,000 or more in each of these two previous years. This provision of higher TDS is not applicable to a non-resident who does not have a permanent establishment in India and to a resident who is not required to furnish the return of income.

C. Long term capital gains

Where investment under portfolio management services is treated as investment, the gain or loss from transfer of Securities shall be taxed as capital gains under section 45 of the IT Act.

Period of Holding

The details of period of holding for different capital assets for the purpose of determining long term or short term capital gains are explained hereunder:

Securities	Position upto 22 July 2024 Period of Holding	Position on or after 23 July 2024 Period of Holding	Characterization
Listed Securities (other than unit) and unit of equity oriented mutual funds, unit of UTI, zero coupon bonds	More than twelve (12) months	More than twelve (12) months	Long-term capital asset
	Twelve (12) months or less	Twelve (12) months or less	Short-term capital asset
Unlisted shares of a company	More than twenty-four (24) months	More than twenty-four (24) months	Long-term capital asset
	Twenty-four (24) or less	Twenty-four (24) or less	Short-term capital asset
Other Securities (other than Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023 or unlisted bond or unlisted debenture)	More than Thirty-six (36) months	More than twenty-four (24) months	Long-term capital asset
	Thirty-six (36) months or less	Twenty-four (24) or less	Short-term capital asset
Specified Mutual Fund or Market Linked Debenture acquired on or after 1 April 2023	Any period	Any period	Short-term capital asset
Unlisted bond or unlisted debenture	More than 36 months		Long-term capital asset
	36 months or less	Any period	Short-term capital asset

Definition of Specified Mutual Fund:

Before 1st April 2025:

"Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

On and after 1st April 2025:

"Specified Mutual Fund" means, –

(a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or

(b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a).

- **Definition of debt and money market instruments:**

  "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

- **Definition of Market Linked Debenture:**

  "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.

- **For listed equity shares in a domestic company or units of equity oriented fund or business trust**

  The Finance Act 2018 changed the method of taxation of long-term capital gains from transfer of listed equity shares and units of equity oriented fund or business trust.

  As per section 112A of the IT Act, long term capital gains exceeding INR 1 lakh arising on transfer of listed equity shares in a company or units of equity oriented fund or units of a business trust is taxable at 10% , provided such transfer is chargeable to STT. This exemption limit has been increased from INR 1 lakh to INR 1.25 lakh and tax rate has been increased from 10% to 12.5% with effect from 23 July 2024. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition of listed equity shares, unless the listed equity shares have been acquired through any of the notified modes not requiring to fulfil the pre-condition of chargeability to STT.

  Long term capital gains arising on transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and consideration is paid or payable in foreign currency, where STT is not chargeable, is also taxed at a rate of 10%. This benefit is available to all assessees. This tax rate is increased from 10% to 12.5%.

  The long term capital gains arising from the transfer of such Securities shall be calculated without indexation. In computing long term capital gains, the cost of acquisition (COA) is an item of deduction from the sale consideration of the shares. To provide relief on gains already accrued upto 31 January 2018, a mechanism has been provided to "step up" the COA of Securities. Under this mechanism, COA is substituted with FMV, where sale consideration is higher than the FMV. Where sale value is higher than the COA but not higher than the FMV, the sale value is deemed as the COA.

  Specifically in case of long term capital gains arising on sale of shares or units acquired originally as unlisted shares/units upto 31 January 2018, COA is substituted with the "indexed COA" (instead of FMV) where sale consideration is higher than the indexed COA. Where sale value is higher than the COA but not higher than the indexed COA, the sale value is deemed as the COA. This benefit is available only in the case where the shares or units, not listed on a recognised stock exchange as on the 31 January 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31 January 2018 by way of transaction not regarded as transfer under section 47 (e.g. amalgamation, demerger), but listed on such exchange subsequent to the date of transfer, where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer.

  The CBDT has clarified that 10% withholding tax will be applicable only on dividend income distributed by mutual funds and not on gain arising out of redemption of units.

  No deduction under Chapter VI-A or rebated under Section 87A will be allowed from the above long term capital gains.

- **For other capital assets (securities and units) in the hands of resident of India**

  Long-term capital gains in respect of capital asset (all securities and units other than listed shares and units of equity oriented mutual funds and business trust) is chargeable to tax at the rate of 20% plus applicable surcharge and education cess, as applicable. The capital gains are computed after taking into account cost of acquisition as adjusted by cost inflation index notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer. This tax rate is reduced from 20% to 12.5%; but no indexation benefit will be available with effect from 23 July 2024.

As per Finance Act, 2017, the base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take Fair Market Value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as Fair Market Value as on 1 April 2001.

- **For capital assets in the hands of Foreign Portfolio Investors (FPIs)**

  Long term capital gains, arising on sale of debt Securities, debt oriented units (other than units purchased in foreign currency and capital gains arising from transfer of such units by offshore funds referred to in section 115AB) are taxable at the rate of 10% under Section 115AD of the IT Act. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.Such gains would be calculated without considering benefit of (i) indexation for the COA and (ii) determination for capital gain/loss in foreign currency and reconversion of such gain/loss into the Indian currency.

  Long term capital gains, arising on sale of listed shares in the company or units of equity oriented funds or units of business trust and subject to conditions relating to payment of STT, are taxable at 10% as mentioned in para 12.10.2 above. This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

- **For other capital asset in the hands of non-resident Indians**

  Under section 115E of the IT Act, any income from investment or income from long-term capital gains of an asset other than specified asset as defined in Section 115C (specified assets include shares of Indian company, debentures and deposits in an Indian company which is not a private company and Securities issued by Central Government or such other Securities as notified by Central Government) is chargeable at the rate of 20%. Income by way long-term capital gains of the specified asset is, however, chargeable at the rate of 10% plus applicable surcharge and cess (without benefit of indexation and foreign currency fluctuation). This tax rate has been increased from 10% to 12.5% with effect from 23 July 2024.

D. Short term capital gains

Section 111A of the IT Act provides that short-term capital gains arising on sale of listed equity shares of a company or units of equity oriented fund or units of a business trust are chargeable to income tax at a concessional rate of 15% plus applicable surcharge and cess, provided such transactions are entered on a recognized stock exchange and are chargeable to Securities Transaction Tax (STT). This tax rate has been increased from 15% to 20% with effect from 23 July 2024. However, the above shall not be applicable to transaction undertaken on a recognized stock exchange located in any International Financial Services Centre and where the consideration for such transaction is paid or payable in foreign currency. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

Short term capital gains in respect of other capital assets (other than listed equity shares of a company or units of equity oriented fund or units of a business trust) are chargeable to tax as per the relevant slab rates or fixed rate, as the case may be.

The Specified Mutual Funds or Market Linked Debentures acquired on or after 1 April 2023 will be treated as short term capital asset irrespective of period of holding as per Section 50AA of the IT Act. The unlisted bonds and unlisted debentures have been brought within the ambit of Section 50AA of the IT Act with effect from 23 July 2024.

E. Profits and gains of business or profession

If the Securities under the portfolio management services are regarded as business/trading asset, then any gain/loss arising from sale of such Securities would be taxed under the head “Profits and Gains of Business or Profession” under section 28 of the IT Act. The gain/ loss is to be computed under the head “Profits and Gains of Business or Profession” after allowing normal business expenses (inclusive of the expenses incurred on transfer) according to the provisions of the IT Act.

Interest income arising on Securities could be characterized as ‘Income from other sources’ or ‘business income’ depending on facts of the case. Any expenses incurred to earn such interest income should be available as deduction, subject to the provisions of the IT Act.

F. Losses under the head capital gains/business income

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.

Business loss is allowed to be carried forward for 8 assessment years and the same can be set off against any business income.

G. 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 recharacterize 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 Income-tax Rules, 1962. The Income-tax Rules, 1962 provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 3 crores.

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

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

H. 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 and date and place of birth;

(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, date of birth, place of birth 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).

I. Goods and Services Tax on services provided by the portfolio manager

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.

J. The following are the tax provisions applicable to Clients investing through Portfolio Management Services as per the prevailing tax laws:

1. Dividends from Shares of Domestic Companies In terms of the Finance Act, 2020, the exemption covered under Section 10(34) of the Income tax Act, 1961 was withdrawn. From the financial year 2020-21, Dividend declared, distributed or paid by the Domestic Companies to its shareholders are taxable in the hands of the investors at their normal tax slabs. The Domestic Companies are not liable to pay dividend distribution tax. However, in case of Resident investors, Tax will be deducted at source (TDS) @ 10% on the dividend payout of `5000/- and above under section 194. In case of NRI investors, TDS will be deducted at 20.8% under Section 195 subject to DTAA benefits, if any. In case of domestic companies which have declared dividend and are also in receipt of the dividend from another domestic company, a deduction is allowed with respect to the dividend received or the amount distributed as dividend one month prior to the due date of filing return whichever is less under section 80M of the Income Tax Act, 1961.
2. **Income Distributed by Mutual Funds With effect from 1st April 2020**, any income distributed or paid by domestic mutual funds to its unitholders are also taxable in the hands of the investors at their normal tax slabs. However, tax will be deducted at source from the dividend payouts as under:

Type of the Investor	Withholding tax	Section
Resident	10%@	194K
Non-Resident Indian	20% or rate as per applicable tax treaty (whichever is lower)**	196A

3. **Capital Gains Taxation**

	Individual/HUF $	Domestic Company @	NRI $
Equity Shares / Equity Oriented schemes */+			
Long Term Capital gain ((Shares / Units held for more than 12 months)	12.5%	12.5%	12.5%
Short Term Capital Gains (Shares / Units held for 12 months or less)	20%	20%	20%
Other than Specified Mutual Fund & other than Equity Oriented Schemes (funds investing more than 35% & less than 65% of its total proceeds in the equity shares of domestic companies)			
Long Term Capital gain ((Units held for more than 24 months)	12.5%	12.5%	12.5%
Short Term Capital Gains (Units held for 24 months or less)	30%^	30%^^/25%^^^/22%^^^^/ 15%^^^^^	30%^
Specified Mutual Fund Other Than Equity Oriented Schemes $$			
Short Term Capital Gains	30%^	30%^^/25%^^^/22%^^^^/ 15%^^^^^	30%^
Tax Deducted at Source (Applicable only to NRI Investors #)			
		Short term capital gains $	Long term capital gains $
Equity Shares / Equity Oriented Scheme		20%	12.5%
Other than Specified Mutual Fund & other than Equity Oriented Schemes (funds investing more than 35% & less than 65% of its total proceeds in the equity shares of domestic companies)		30%^	12.5%
Specified Mutual Fund Other Than Equity Oriented Schemes $$		30%^	

Note: Indexation benefit on Long Term capital gain has been removed for transfers made after 23rd July 2024.

* Income-tax at the rate of 12.5% (without indexation benefit and foreign exchange fluctuation) to be levied on long-term capital gains exceeding Rs. 1,25,000 provided transfer of such units is subject to Securities Transaction Tax ('STT'). Further, for Shares / Units acquired before the 1st day of February, 2018 the cost of acquisition to compute long-term capital gains is to be higher of (a) Actual cost of acquisition; and (b) Lower of (i) fair market value as on 31 January 2018; and (ii) full value of consideration received upon transfer.

$ **Surcharge to be levied at:**

- 37% on base tax where specified income** exceeds ₹ 5 crore;
- 25% where specified income** exceeds ₹ 2 crore but does not exceed ₹ 5 crore;
- 15% where total income exceeds ₹ 1 crore but does not exceed ₹ 2 crore; and
- 10% where total income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore. In case total income includes income by way of dividend on shares and short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes, the rate of surcharge on the said type of income not to exceed 15%. In case investor is opting for 'New Regime' the rate of surcharge not to exceed 25%.

** **Specified income**:

Total income excluding income by way of dividend on shares and short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes. Further, Health and Education Cess to be levied at the rate of 4% on aggregate of base tax and surcharge.

$$ As per amendment to Finance Bill, 2023 gains arising on transfer, redemption or maturity of specified mutual funds acquired on or after 1 April 2023 will deemed to be 'short-term capital gains' (regardless of the period of holding). Further as per amendment in Finance 2024 Unlisted Debentures and Unlisted Bonds which are transferred or redeemed or matures on or after the 23rd day of July, 2024 shall be deemed to be 'short-term capital gains' (regardless of the period of holding)

Specified mutual fund means a mutual fund by whatever name called, (a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments; or (b) a fund which invests sixty-five per cent or more of its total proceeds in units of a fund referred to in sub-clause (a):

@ Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds ₹ 1 crore but less than ₹ 10 crores and at the rate of 12%, where income exceeds ₹ 10 crores. However, Taxation Laws (Amendment) Ordinance, 2019 provides for surcharge at flat rate of 10 percent on base tax for the companies opting for lower rate of tax of 22%/15%.

Short term/ long term capital gain tax (along with applicable Surcharge and "Health and Education Cess") will be deducted at the time of redemption/switches of Shares / Units in case of NRI investors only. Tax treaty benefit can be claimed for withholding tax on capital gains subject to fulfillment of stipulated conditions.

The base year for indexation purpose has been shifted from 1981 to 2001 to calculate the cost of acquisition or to take fair market value of the asset as on that date. Further, it provides that cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.

^ Assuming the investor falls into highest tax bracket.

^^ This rate applies to companies other than companies engaged in manufacturing business who are taxed at lower rate subject to fulfillment of certain conditions.

^^^ If total turnover or gross receipts during the financial year 2020-21 does not exceed ₹ 400 crores.

^^^^ This lower rate is optional and subject to fulfillment of certain conditions as provided in section 115BAA.

^^^^^ This lower rate is optional for companies engaged in manufacturing business (set-up & registered on or after 1 October 2019) subject to fulfillment of certain conditions as provided in section 115BAB.

+ Securities Transaction Tax (STT) will be deducted on equity-oriented funds at the time of redemption / switch to other schemes / sale of units.

Further, Minimum Alternate Tax (MAT) applicable to domestic companies (except for those who opt for lower rate of tax of 22%/15%) are not considered in the above tax rates.

Dividend stripping

According to the provisions of Section 94(7) of the Act, the loss arising out of sale of securities/units in the schemes (where dividend is tax free) will not be available for set off to the extent of the tax free dividend declared; if securities/units are:

(A) bought within three months prior to the record date fixed for dividend declaration; and

(B) sold within three months (securities) / nine months (Units) after the record date fixed for dividend declaration.

Bonus Stripping:

The loss due to sale of original securities , where bonus units are issued, will not be available for set off; if original securities are:

(A) bought within three months prior to the record date fixed for allotment of bonus ; and

(B) sold within nine months after the record date fixed for allotment of bonus securities. However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus securities

4. **Tax rates applicable to individuals & HUF: FY 2025-26 (as per old tax regime)**

There are 2 options for computation of income and tax payable. The tax payers need to select any of the following options at the time of filing of return of income.

Option A - Existing regime with tax exemptions and deductions

For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial juridical persons

Total Income	Tax Rates
Up to ₹ 250,000 (a) (b)	NIL
₹ 250,001 to ₹ 500,000 (d) (e)	5%
₹ 500,001 to ₹ 1,000,000 (d)	20%
₹ 1,000,001 and above (c) (d)	30%

(a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is ₹ 300,000.

(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is ₹ 500,000.

(c) Surcharge to be levied at:

- 37% on base tax where specified income exceeds ₹ 5 crore;
- 25% where specified income** exceeds ₹ 2 crore but does not exceed ₹ 5 crore;
- 15% where total income** exceeds ₹ 1 crore but does not exceed ₹ 2 crore; and
- 10% where total income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore.

In case total income includes income by way of dividend on shares and short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes, the rate of surcharge on the said type of income not to exceed 15%.

** *Specified income – Total income excluding income by way of dividend on shares and short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes.*

(d) Health and Education cess @ 4% on aggregate of base tax and surcharge.

(e) Individuals having total income not exceeding ₹ 500,000 can avail rebate of lower of actual tax liability or ₹ 12,500.

Option B - New Tax regime – without tax exemptions and deductions (as per section 115BAC)

For Individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial juridical persons

Total Income	Tax Rates
Up to 4,00,000 (b)	Nil
From 4,00,001 to 8,00,000 (d) (e)	5%
From 8,00,001 to 12,00,000 (d)	10%
From 12,00,001 to 16,00,000 (d)	15%
From 16,00,001 to 20,00,000	20%
From 20,00,001 to 24,00,000	25%
Above 24,00,000 (c) (d)	30%

a) For adopting New Regime, most of the deductions/exemptions such as most of deductions/exemptions such as LTA 10(5), HRA 10(13A), sections 80C/80D etc. are to be forgone. However, standard deduction of ₹ 75,000 against salary income is proposed to be allowed under New Regime. The aforesaid regime is optional. Accordingly, persons as mentioned above have the option to be taxed under either of the options. New Regime once exercised can be changed in subsequent years (not applicable for business income).

b) Resident individuals having total income not exceeding ₹ 12,00,000 can avail rebate of 60,000 or actual tax liability whichever is lower.

c) Rate of surcharge:

- 25% where specified income* exceeds ₹ 2 crore
- 15% where total income exceeds ₹ 1 crore but does not exceed ₹ 2 crore; and
- 10% where total income exceeds Rs 50 lakhs but does not exceed ₹ 1 crore.

In case of AOP, consisting of only companies as its members, the rate of surcharge not to exceed 15%.

* *Specified income – Total income excluding income by way of dividend on shares and short term capital gains in case of listed equity shares, equity oriented mutual fund units, units of business trust and long-term capital gains.*

Special rates for non-residents.

(1) The following incomes in the case of non-resident are taxed at special rates on gross basis:

Transaction	Rates(a)
Dividend	20%
Interest received on loans given in foreign currency to Indian concern or Government of India.	20%
Income received in respect of units purchased in foreign currency of specified Mutual Funds / UTI	20%
Royalty or fees for technical services[b]	10%
Interest income from a notified infrastructure debt fund	5%
Interest on FCCB, FCEB / Dividend on GDRs	10%

(a) These rates will further increase by applicable surcharge and health and education cess

(b) In case the non-resident has a Permanent Establishment (PE) in India and the royalty/ fees for technical services paid is effectively connected with such PE, the same could be taxed at 40% (plus applicable surcharge and education cess) on net basis.

(2) Tax on non-resident sportsmen or sports association on specified income @ 20% plus applicable surcharge and health and education cess.

Indian Companies

The tax treatment of Long Term/Short Term Capital gains derived by companies investing in Portfolio Management Services (PMS) would be the same as detailed above. In case the income from PMS is treated as Business Income, the tax rate applicable would be 22% subject to condition that the company will not avail any exemption/incentive. The effective tax rate for these companies shall be 25.17% inclusive of surcharge & cess.

Clients of co-investment portfolio management services are requested to go through the respective PPM for tax implications. However, the Client is advised to consult his/her/their tax consultant for tax treatment of the nature of income indicated therein.

However, the Client is advised to consult his/her/their tax consultant for tax treatment of the nature of income indicated therein.

Details under FATCA/Foreign Tax Laws

Tax Regulations require us to collect information about each investor's tax residency. If you have any questions about your tax residency, please contact your tax advisor. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Applicants (Including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/sign off a separate "FATCA declaration form". Applications without this information /declaration being filled/signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided / declaration in the application form may undergo a change on receipt of communication / guidelines from SEBI.

Taxation as applicable to debt securities.

Whether Income earned from PMS should be taxed as Capital Gains or Business Income

- Under the PMS Plans, buy and sell transactions of securities is conducted in the Demat account of the investors itself and the taxability of each of the securities would be same as if the investments were directly invested by the investors. Accordingly, the logic for classification between business income/capital gains is also based on the same principles. Broadly, the taxation of gains from the sale of securities depends on the characterization of gains. Gains arising from the sale of securities could be characterized either as "capital gains" or as "business income". Traditionally, characterization of exit gains as "business income" or "capital gains" has been a subject of litigation.
- There are various judicial precedents as well as tax authority circular, which provides a guiding principles like volume, frequency, intention, holding period, main object etc. to determine whether income from transactions in securities to be considered as 'Business Income' or a 'Capital Gain'.
- Under a PMS scheme, the principal objective of the Investor is to earn investment income through IM of PMS. The securities hold under PMS are an investment for investors than a stock-in trade. Accordingly, the capital appreciation in the investment should be considered as Capital Gain. The said view is also supported by Pune Tax tribunal decision in case of KRA Holding & Trading and Arihant Patni1 1 ITA NO. 356/PN/2011 Tax on Income from Capital Gains • As per Section 45 of Income Tax Act, 1961 ('the Act'), any profits or gains arising from the transfer of capital assets are chargeable to income tax under the head 'capital gains'. Section 48 of the Act provides that income chargeable as capital gains would be computed as the difference between the full value of the consideration received or accrued on transfer of the capital asset and the cost of acquisition/ indexed cost of acquisition (as applicable) of such asset and expenditure incurred wholly and exclusively in connection to such transfer. Typically, the computation on transfer of each of the capital asset shall be as follows:

Particulars	Amount (in INR)
Full value of consideration	XXX
Less: Cost of acquisition / Indexed cost of acquisition (Refer Note below)	(XX)
Less: Expenditure incurred wholly and exclusively in connection with transfer	(XX)
Long-term capital gains / Short-term capital gains	XXX

Note: Indexation (computing indexed cost of acquisition) is a process by which the cost of acquisition is adjusted against inflationary rise in the value of asset. For this purpose, the Central Government has notified cost inflation index. The benefit of indexation is available only to long-term capital assets (subject to few exceptions like indexation is not available on the bonds and debentures). For computation of indexed cost of acquisition following factors are to be considered:

- Year of acquisition/improvement
- Year of transfer
- Cost inflation index of the year of acquisition / improvement
- Cost inflation index of the year of transfer

Indexed cost of acquisition is computed with the help of following formula:

$$\frac{\text{Cost of acquisition} \times \text{Cost inflation index of the year of transfer of capital asset}}{\text{Cost inflation index of the year of acquisition}}$$

As per Finance Act 2024, Indexation benefit is removed for calculation of any long-term capital gains earned on or after 23rd July 2024.

- The tax payable on capital gains would depend on whether the capital gains are considered as long-term or short-term in nature. The gain would be considered as short term or long term, based on the period of holding of the asset/security. Summarised below the period of holdings for the specified assets in which PMS plan is proposed to invest:

Capital Asset	Period of Holding to classify as Long-Term Capital Asset
Securities (like NCDs, Corporate Bonds, Government and PSU Bonds, Government Securities, T- Bills, Zero Coupon Bonds etc.) listed in a recognized stock exchange in India	More than 12 months
Units of debt-oriented mutual funds (listed or unlisted), Commercial Paper, non-notified unlisted Zero Coupon bonds etc.	More than 24 months
Notified Zero Coupon Bonds (listed or unlisted)	More than 12 months

The only exception to above would be the Market linked debentures (MLD's) and units of specified mutual fund acquired on or after 1 April 2023 (as per Finance Bill 2023) and unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after the 23rd day of July, 2024 (as per Finance Act 2024) , wherein as per Section 50AA of the Act, the gains arrived on transferred of the said instrument shall always be considered as Short-Term Capital Gain (irrespective of the period of holding of the said instruments).

"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 market returns on other underlying securities or indices and include any security classified or regulated as a market linked debenture by the Securities and Exchange Board of India

"Specified Mutual Fund" means,––

(a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments; or

(b) a fund which invests sixty-five per cent or more of its total proceeds in units of a fund referred to in sub-clause (a)

Tax Rates – Long-Term Capital Gains and Short-Term Capital Gains

Long Term Capital Gain ('LTCG')

- Capital gains arising from transfer of a long term capital asset (other than equity shares, equity oriented mutual funds and units of REITs/InVITS) on or after 23rd July 2024 will be taxable at 12.5%.
- As per Finance Act 2024, Indexation benefit is removed for calculation of any long-term capital gains earned on or after 23rd July 2024.

[2] *MLD would mean a security which has an underlying principal component in the form of debt security and where the returns are linked to market returns on other underlying securities or indices and include any security classified or regulated as a MLD by SEBI*

[3] *Debt oriented Mutual fund would be the fund which has less than 35% of its holding in equity shares of Indian companies*

Further, capital gains arising from transfer of a long-term capital asset on or after 23rd July 2024 being listed debt security or any unit of UTI or mutual fund (listed) and notified Zero coupon bonds shall be taxable at 12.5%

- In addition to above tax rate applicable surcharge and cess would be applied on the base tax rates.

Short Term Capital Gain ('STCG')

- Capital gains arising from transfer of short term capital assets (other than equity shares, equity oriented mutual funds and units of REITs/InVITS) are taxed at applicable tax rates i.e. in case of Individuals, HUF, APO/ BOI at slab rates and in case of company, partnership firm and LLP at corporate tax rates specified for respective type of entity.
- In addition to above tax rate applicable surcharge and cess would be applied on the base tax rates.

Tax on Other Income (Interest, Dividend, any other income etc.)

Tax on Interest Income or any other income

- Interest income would be subject to tax at the applicable rates i.e. in case of Individuals, HUF, APO/ BOI at slab rates and in case of company, partnership firm and LLP at corporate tax rates specified for respective type of entity.
- In addition to above tax rate applicable surcharge and cess would be applied on the base tax rates.

Tax on Dividend Income from Mutual Fund (including debt Mutual Fund, ETF's etc.)

- Dividend income would be subject to tax at the applicable rates i.e. in case of Individuals, HUF, APO/ BOI at slab rates and in case of company, partnership firm and LLP at rates specified for respective type of entity.
- In addition to above tax rate applicable surcharge and cess would be applied on the base tax rates.

Exempt Income of Interest on Bonds, Debentures and Securities under section 10(15)

- The above rates are general tax rates applicable to respective securities. However, there are few tax saving securities, bonds, debentures etc. on which there is specific exemption provided under section 10(15) of the Act. Listed below few of them for reference:

  1) Interest income or premium on redemption or other payments on notified securities; bonds; annuity certificates; savings and other certificates.
  2) Interest income on notified Capital Investment Bonds issued before 1st June 2002. The exemption is available only to Individual and HUF.
  3) Interest income on notified Relief Bonds. The exemption is available only to Individual and HUF.
  4) Interest income on notified Bonds issued before 1st June 2002. The exemption is available to following persons
     i) A Non-resident Indian (individual owning the bonds).
     ii) An Individual (owning the bonds in the form of nominee or survivor of the non-resident Indian).
     iii) An Individual (bonds have been gifted by the non-resident Indian). Provided Bonds should have been purchased by the non-resident Indian in foreign exchange. Interest and principal are not allowed to be taken out of India.
  5) Interest on securities issued by the Department of the Central Bank of Ceylon.
  6) Interest received from public sector company in respect of notified bonds/ debenture. The holder of the bonds/ debenture should register his name and holding with the public sector company.
  7) Interest on-
     i) Securities held by the Welfare Commissioner, Bhopal Gas Victims in the Reserve Bank SGL Account no. SL/DH 048.
     ii) Deposits made for the benefits of the victims of Bhopal Gas Leak Disaster held in such account with the Reserve Bank or notified Public Sector Bank
  8) Interest on notified-
     i) Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999;
     ii) Deposit certificates issued under the Gold Monetisation Scheme, 2015.
  9) Interest income on notified bonds issued by- A local authority; or A State Pooled Finance Entity.

Following table summaries Tax Rates on income of various Instruments:
Please find below summary of tax rates for various capital assets, in which the PMS plans to invest.

Type of Capital Asset	Type Of Income	Period of Holding	Individual HUF	Company	Trust	Partnership	LLP
NCDs (Listed)	**Capital Gains**	STCG - less than 12 months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG – 12 months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income		Slab Rate	30%	30%	30%	30%
ZCBs (Listed)	**Capital Gains**	STCG - less than 12 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 12 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income	N.A	N.A	N.A	N.A	N.A	N.A
Corporate Bonds (Listed)	**Capital Gains**	STCG - less than 12 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 12 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income		Slab Rate	30%	30%	30%	30%
Government and PSU Bonds (Listed)	**Capital Gains**	STCG - less than 12 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 12 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income		Slab Rate	30%	30%	30%	30%
Commercial Paper	**Capital Gains**	STCG - less than 24 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 24 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income		N.A	N.A	N.A	N.A	N.A
Certificate of Deposits	**Interest Income**		Slab Rate	30%	30%	30%	30%
Government Securities (listed)	**Capital Gains**	STCG - less than 12 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 12 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Interest Income		Slab Rate	30%	30%	30%	30%
T-Bill	**Capital Gains**	STCG – Currently, Govt issues less than 364 days	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
	Interest Income		N.A	N.A	N.A	N.A	N.A
Temporary Investment in liquid and overnight MFs towards treasury	**Capital Gains**	STCG - less than 24 Months	STCG - Slab Rate	STCG - 30%	STCG - 30%	STCG - 30%	STCG - 30%
		LTCG - 24 Months or more	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%	LTCG – 12.5%
	Dividend Income		Slab Rate	30%	30%	30%	30%

Notes:

1. In addition to the above tax rates, applicable surcharge and cess as provided in Annexure 1 shall be applicable.
2. There are few tax exempt securities, whose interest and capital gain may not be taxable and the same will have to be determined based on the actual nature of the security.
3. In case of domestic company, the corporate tax rate (for STCG, interest income and other income) shall be 25%, if its total turnover or gross receipts in the FY 2021-22 does not exceed INR 400 crores. Also, if the corporate has opted for the concessional tax regime the corporate tax shall be 22%/15% as per section 115BAA or section 115BAB the Act.

Annexure 1

Surcharge

In case of individuals, HUF, Trusts, AOP and BOI

Net Total Income	Rate
Less than 5 million	NIL
Exceeds INR 5 million but does not exceed INR 10 million	10%
Exceeds INR 10 million but does not exceed INR 20 million	15%
Exceeds INR 20 million but does not exceed INR 50 million	25%
Exceeds INR 50 million	37%

In case of domestic companies, not exercising the option under concessional tax regime as per section 115BAA / section 115BAB of the Act

Net Total Income	Rate
Less than 10 million	NIL
Exceeds INR 10 million but does not exceed INR 100 million	7%
Exceeds INR 100 million	12%

In case of domestic companies exercising the option under concessional tax regime as per section 115BAA / section 115BAB of the Act

Surcharge shall be levied at the rate of 10%, irrespective of total income of the company

In case of Partnership Firm, LLP

Net Total Income	Rate
Less than 10 million	NIL
Exceeds INR 10 million but does not exceed INR 100 million	7%
Exceeds INR 100 million	12%

However, in case total income includes any Capital Gain income or for income in the nature of **dividend** from shares, the surcharge on such income shall not exceed **15%**. Also, in case of AOP consisting of only companies as its members, the rate of surcharge shall not exceed **15%**.

Health and Education Cess

4% of income tax and surcharge.

9. Accounting policies

Following accounting policies are followed for the portfolio investments of the Client:

A. Client Accounting

(1) The Portfolio Manager shall maintain a separate Portfolio record in the name of the Client in its book for accounting the assets of the Client and any receipt, income in connection therewith as provided under Regulations. Proper books of accounts, records, and documents shall be maintained to explain transactions and disclose the financial position of the Client's Portfolio at any time.

(2) The books of account of the Client shall be maintained on an historical cost basis.

(3) Transactions for purchase or sale of investments shall be recognised 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.

(4) All expenses will be accounted on due or payment basis, whichever is earlier.

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

(6) Tax deducted at source (TDS) shall be considered as withdrawal of portfolio and debited accordingly.

B. Recognition of portfolio investments and accrual of income

(7) In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" (FIFO) method will be followed.

(8) Unrealized gains/losses are the differences, between the current market value/NAV and the historical cost of the Securities. For derivatives and futures and options, unrealized gains and losses will be calculated by marking to market the open positions.

(9 Dividend on equity shares and interest on debt instruments shall be accounted on accrual basis. Further, mutual fund dividend shall be accounted on receipt basis.

(10) Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis.

(11) Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

(12) In respect of all interest-bearing Securities, income shall be accrued on a day-to-day basis as it is earned.

(13) Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the scheme obtains an enforceable obligation to pay the price or, in the event of a sale, when the scheme obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

C. Valuation of portfolio investments

(14) Investments in listed equity shall be valued at the last quoted closing price on the stock exchange. When the Securities are traded on more than one recognised stock exchange, the Securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the portfolio manager to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.

(15) Investments in units of a mutual fund are valued at NAV of the relevant scheme. Provided investments in mutual funds shall be through direct plans only.

(16) Debt Securities and money market Securities shall be valued as per the prices given by third party valuation agencies or in accordance with guidelines prescribed by Association of Portfolio Managers in India (APMI) from time to time.

(17) Unlisted equities are valued at prices provided by independent valuer appointed by the Portfolio Manager basis the International Private Equity and Venture Capital Valuation (IPEV) Guidelines on a semi-annual basis.

(18) In case of any other Securities, the same are valued as per the standard valuation norms applicable to the mutual funds.

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 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. However, such changes would be in conformity with the Regulations.

Securities Transactions

Investment securities transactions are accounted for on a trade date basis. The cost of investments acquired or purchased would include brokerage, stamp charges and any charges customarily included in the brokers contract note or levied by any statute except STT (Securities Transaction Tax). Similarly, in case of Sale transactions, the above mentioned charges will be deducted from the sale price. Realised Gains/Losses will be calculated by applying the First in/First out method. It may be noted that for Income Tax purposes, STT is deductible only when the gains are treated as Business Income.

Income /Expenses

All investment income and expenses will be accounted on accrual basis. Dividend will be accrued on the Ex-date of the securities and the same will be reflected in the clients books on the Ex-date. Similarly, bonus shares will be accrued on the ex-date of the securities and the same will be reflected in the client books on ex-date. In case of Fixed Income instruments, purchased/sold at Cuminterest dates, the interest component upto the date of purchase/sale will be taken to interest receivable/payable account and net of interest will be the cost/sale for the purpose of calculating realised gains/losses.

Reports to the Client

The portfolio manager will furnish periodic reports to the client (not exceeding a period of three months and as and when required by the client) containing the following details:

(a) the composition and the value of the portfolio, description of securities, number of securities, value of each security held in the portfolio, cash balance and aggregate value of the portfolio as on the date of report;

(b) transactions undertaken during the period of report including date of transaction and details of purchases and sales;

(c) beneficial interest received during that period in the form of interest, dividend, bonus shares, rights shares, etc;

(d) expenses incurred in managing the portfolio of the client;

(e) details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment;

(f) default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any.

Clients of co-investment portfolio management services are requested to go through the respective PPM for information on this section.

10. Investors services

(i) Investor queries and complaints to be addressed to:

Ms R Sriranjini

Alamelu Terrace, Third Floor, 163, Anna Salai, Mount Road, Chennai- 600002

Mobile: +91 7305529179 / +91 7305744425

Email: support@sundaramalternates.com

(ii) Grievance redressal

Service requests and grievances, if any, from the clients are received at the corporate/administrative office of the Portfolio Manager. The Portfolio Manager shall ensure proper and timely handling of such requests and take appropriate actions immediately.

The Portfolio Manager shall attend to and address any client query or concern as soon as possible to mutual satisfaction. **Please refer Annexure II for detailed Investor Grievance redressal policy of the portfolio manager.**

11. Details of the diversification policy of the portfolio manager

The Portfolio Manager shall restrict single stock exposure upto 15% of the client's AUM. However, this limit would not apply to thematic PMS strategies. In case of passive breach, the Portfolio Manager may adjust the exposure before the end of the subsequent quarter. The Portfolio Manager, for reasons to be recorded in writing, may breach the single stock exposure limit in the interest of the investors.

12. **Client Representation**

(i) Category of Clients	No. of Clients	Funds managed (₹ in crores)	Discretionary / Non-discretionary/ Advisory
Associates / Group Companies (Last 3 years)	Nil	Nil	Nil
Others:			
As on March 31, 2025	2,236	2,467.49	Discretionary
	2	473.86	Advisory
As on March 31, 2024	2,370	2,402.04	Discretionary
	2	378.27	Advisory
As on March 31, 2023	2,744	2,101.58	Discretionary
	2	249.11	Advisory

Note: Previous years figures re-grouped wherever necessary

(ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India are as follows:

Based on the audited accounts for the financial year ended March 31, 2025.

a) **Related Parties**

Ultimate Holding Company

Sundaram Finance Limited

Holding Company

Sundaram Asset Management Company Limited

Subsidiaries

Sundaram Alternative Opportunities Fund Mauritius Ltd

Sundaram Alternative Opportunities Fund II Mauritius Ltd

Associates

Sundaram Alternative Investment Trust Cat III

Sundaram Alternative Investment Trust Cat II

Sundaram Mutual fund

Fellow Subsidiaries

Sundaram Finance Holdings Limited (Till 26th March, 2024)

Sundaram Asset Management Singapore Pte.Ltd

Sundaram Home Finance Ltd

Sundaram Fund Services Limited

LGF Services Limited

Sundaram Trustee Company Limited

Sundaram Business Services Limited (Till 26th March, 2024)

Sundaram Finance Employees Welfare Trust

Joint Venture of Ultimate Holding Company having control over the entity

Royal Sundaram General Insurance Co. Ltd

Entity in which Director is interested:

HD Ventures LLP

Key Management Personnel

Mr. Harsha viji - Chairman

Mr Arvind Sethi - Director

Mr. Lakshminarayanan Duraiswamy- Director

Mr. Karthik Atherya - Director

Mr Vikaas M Sachdeva - Managing Director

Mr.Akhil Kumar Chidella - Chief Financial Officer - (W.e.f. 30/01/2025)

Mr K Rajagopal - Company Secretary

Mr S Parthasarathy – Chief Financial Officer (Till 30/08/2024)

b) Transactions with related parties were made on terms equivalent to those that prevail in an arm's length transactions.

Particulars	Ultimate Holding / Holding Company		Subsidiaries/Fellow Subsidiaries/ Associates		Key Management Personnel / Entity in which Director is interested	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024	31-03-2025	31-03-2024
INCOME						
Management Fees						
Sundaram Alternative Investment Fund			6,352.36	5,080.56		
Interest on ICD - SAMC	-	17.95				
Advisory Fees						
Sundaram Asset Management Singapore Pte.Ltd			1.25	1.25		
Sundaram Home Finance Limited			164.23	151.74		
Interest and Capital Gain on AIF investments						
Sundaram Alternative Investment Fund			45.83	35.96		
Total	**-**	**17.95**	**6563.67**	**5269.51**		
EXPENSE						
Shared Services						
Sundaram Asset Management Company Ltd	-	239.44				
Rent						
Sundaram Asset Management Company Ltd	-	11.00				
Sundaram Finance Limited	12.00	-				
PMS Brokerage						
Sundaram Finance Limited	379.25	345.80				
AIF Brokerage						
Sundaram Finance Limited	107.29	216.66				
Internal Audit Fees						
Sundaram Finance Limited	6.00	6.00				
Payroll Processing						
Sundaram Finance Holdings Limited (Till 26th March, 2024)			-	1.28		
Hall Charges						
Sundaram Finance Holdings Limited (Till 26th March 2024)			-	0.60		
Insurance						
Royal Sundaram General Insurance Co Ltd			0.31	0.29		
Document Storage Charges						
Sundaram Home Finance Limited			1.16	0.96		
Professional & Consultancy Charges						
HD Ventures LLP					586.14	485.90
Remuneration to Key Managerial Personnel of the Company						
Key Personnel of the Company						
Mr Vikaas M Sachdeva - Managing Director					278.21	236.85
Mr.S Parthasarathy- Chief financial officer(till 30th August 2024)					35.71	40.72
Mr.Akhil Kumar Chidella - Chief Financial Officer - (W.e.f. 30/01/2025)					2.47	-
Mr K Rajagopal - Company Secretary					34.00	27.21
Director Sitting Fees						
Mr Arvind Sethi - Director					8.10	6.00
Total	**504.54**	**818.90**	**1.47**	**3.13**	**944.63**	**796.68**
ASSETS						
Investment in Securities at the End of the Year						
Sundaram Alternative Investment Fund - Cat III			575.25	586.15		
Sundaram Alternative Investment Fund - Cat II			290.82	270.00		
Sundaram Mutual Fund			1344.24	1814.16		
Sundaram Alternative Opportunities Fund Mauritius Ltd			0.08	0.08		
Sundaram Alternative Opportunities Fund II Mauritius Ltd			0.08	0.08		
Deposit - Royal Sundaram General Insurance Co. Ltd			0.03	0.04		
Total			**2210.49**	**2670.50**		
TRADE RECEIVABLES						
Outstanding Receivable - Sundaram Alternative Investment Fund - Cat III			90.48	344.61		
Outstanding Receivable - Sundaram Alternative Investment Fund - Cat II			1,264.39	801.46		
Outstanding Receivable - Sundaram Asset Management Company Limited	1.30	11.36				
Outstanding Receivable - Sundaram Home Finance Limited			41.06	44.39		
Outstanding Receivable - Sundaram Asset Management Singapore Pte.Ltd			0.31	0.31		
Outstanding Receivable - Sundaram Finance Limited	-	7.46				
Total	**1.30**	**18.82**	**1396.24**	**1190.77**		
LIABILITIES						
TRADE PAYABLES						
Outstanding Payable - Sundaram Asset Management Company Limited	7.95	26.61				
Outstanding Payable - Sundaram Finance Limited	28.97	34.87				
Outstanding Payable - Sundaram Home Finance Limited			0.20	0.08		
Outstanding Payable - HD Ventures LLP					53.70	57.14
Total	**36.92**	**61.48**	**0.20**	**0.08**	**53.70**	**57.14**

** All the outstanding balances (payables or receivables) with related parties are unsecured.*

** No amounts payable to or recievable from related parties have been written off / written back during the year.*

13. Financial Performance

₹ in crore

	Year ended 31/03/2025 (Audited)	Year ended 31/03/2024 (Audited)	Year ended 31/03/2023 (Audited)
Turnover / Total Income	128.64	112.32	94.18
Profit after Tax	19.50	18.30	18.63
Equity Capital (FV Rs.10/- each)	39.05	39.05	39.05
Free Reserves	24.63	29.18	29.48
Networth	63.69	68.24	68.53
Earnings per share (Rs.)	4.99	4.69	4.77
Book Value per share (Rs.)	16.31	17.47	17.55
Percentage of Dividend paid	24.90	45.00	47.40

14. Performance of Portfolio Manager

Portfolio Management performance of the portfolio manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020. In respect of co-investment portfolio management services, the performance shall be calculated in the manner as agreed between the Co-investment Portfolio Manager and the client.

Disclosure of performance of the portfolio manager for the last three years

	Financial Year 1 1 Apr 2024 - 31 Mar 2025	**Financial year 2 1 Apr 2023 - 31 Mar 2024**	**Financial year 3 1 Apr 2022 - 31 Mar 2023**
Portfolio Returns			
ALPHA	-6.51%	42.77%	-2.43%
DEDICATED (till 28.02.2025)	N.A.	39.43%	4.55%
INDIA EQUITY (till 06.12.2024)	N.A.	33.75%	3.18%
QUANT	-1.86%	24.91%	0.49%
SISOP	14.02%	29.37%	-8.43%
STREQT	N.A.	43.89%	6.47%
WONDER (till 11.02. 2025)	N.A.	40.78%	0.37%
VOYAGER	13.99%	32.58%	-13.37%
VOYAGERGLOBAL	9.79%	N.A.	N.A.
Benchmark (S&P CNX 500)	**N.A.**	**N.A.**	**-2.26%**
Benchmark (S&P BSE 500 TRI)	**5.96%**	**40.16%**	**N.A.**
S.I.T.P	14.18%	N.A.	N.A.
Benchmark (S&P BSE 500 TRI)	**5.96%**	**N.A.**	**N.A.**
S.E.L.F Portfolio	6.25%	39.58%	-13.81%
Benchmark (CNX MIDCAP)	**N.A.**	**N.A.**	**1.16%**
Benchmark (S&P BSE 500 TRI)	**5.96%**	**40.16%**	**N.A.**
SUNIOP	0.56%	17.64%	-7.23%
SUNOPP (till 12.05.2025)	6.07%	21.85%	-2.10%
Benchmark (BSE 500)	**N.A.**	**N.A.**	**-2.26%**
Benchmark (S&P BSE 500 TRI)	**5.96%**	**40.16%**	**N.A.**
SUNDARAM RISING STARS	-1.84%	24.03%	-6.93%
Benchmark (BSE SMALLCAP)	**N.A.**	**N.A.**	**-4.46%**
Benchmark (S&P BSE 500 TRI)	**5.96%**	**40.16%**	**N.A.**
Sundaram Liquid Fund Portfolio	6.38%	6.37%	5.32%
CRISIL Liquid Fund Index	**N.A.**	**N.A.**	**N.A.**
NIFTY 1D RATE INDEX	**N.A.**	**N.A.**	**2.28%**
Benchmark (CRISIL BOND FUND INDEX)	**9.04%**	**8.01%**	**N.A.**

N.A. means Not Applicable as portfolio was not in existence for the entire period or had no clients during the period.

1 *All the clients who have been active during the reporting period are considered for above review.*

2 *Performance of the portfolio is calculated by TWRR method by taking into consideration the total AUM of the product on daily basis including the impact of new / additional investments and partial /full redemption by the clients. Return of each portfolio calculated is then compared against its respective benchmark*

3 *For portfolios started during the financial year, the returns for the portfolio and benchmark have been calculated since inception of the portfolio.*

4 *For portfolios commenced prior to current financial year, the since inception benchmark returns have not been provided as it is not a weighted average performance figure and hence not comparable with portfolio returns*

15. Audit Observations

There were no material observations made by the auditors in the preceding 3 years. Minor observations made by them were addressed suitably.

16. **Details of investments in the securities of related parties of the Portfolio Manager as on 31-12-2025:**

Sr. No	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
1	India Dedicated	Sundaram Finance Limited	0.0154	0.1569	0.00576%
2	India Dedicated	TSF Investments Limited	0.0010	0.0137	0.00050%

Note: The above investments belong to a deceased investor. Process is going on to transmit the equity shares in favour of the legal heir.

Direct on-boarding of clients

Client has an option for direct on-boarding without intermediation of persons engaged in distribution services. In this mode, client will be charged management fees and portfolio operating expenses. No other charges will be levied.

This provision shall not apply to clients of co-investment portfolio management services

Signature of the Directors:	
Darshan Engineer Principal Officer	Lakshminarayanan D Director

Date: 10th February 2026
Place: Chennai

Arbitration:

All dispute, differences, claims and questions whosoever which shall arise either during the subsistence of the agreement with a Client or afterwards with regard to the terms thereof or any clause or thing contained therein or otherwise in any way relating to or arising therefrom or the interpretation of any provision therein shall be in the first place settled by mutual discussion, failing which the same shall be referred to and settled by arbitration in accordance with and subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof for the time being in force. The arbitration shall be held in Chennai and be conducted in English language. The agreement with the Client shall be governed by, construed and enforced in accordance with the laws of India. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be conducted exclusively in courts located within the city of Chennai in the state of Tamilnadu. For co-investment portfolio management services, the nature of expenses shall be as per the mutual agreement between the Coinvestment Portfolio Manager and the client.

DISCLOSURE ON DERIVATIVES

A. Purpose of using derivatives:

The portfolio manager may advise on use of derivatives with an objective of either hedging or balancing the portfolio. By the use of derivatives for the purpose of hedging, the Portfolio Manager attempts to protect the portfolio especially when markets are uncertain or have a downward bias.

B. Use of Derivatives

SEBI, in terms of Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2002, have permitted all the Portfolio Managers to invest in derivatives subject to observance of guidelines issued by SEBI in this behalf (hereinafter referred to as "Guidelines"). Pursuant to these Guidelines, the portfolio managers may invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing through a recognised stock exchange with the objective of protecting the value of the portfolio and enhance the Clients' interest.

Accordingly, the Portfolio Manager may use derivatives instruments like Stock / Index Futures, Stock / Index Options, Interest Rate Swaps, Forward Rate Agreements or other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

The following information provides a basic idea as to the nature of the derivative instruments generally intended to be used by the Portfolio Manager and the benefits and risks associated there with. The illustrations provided hereunder are for the purpose of understanding by the client.

Index Futures:

Benefits

- Investment in Index Futures can give exposure to the Index without directly buying the individual stocks. Appreciation in Index stocks can be effectively captured through investment in Index Futures.
- The Portfolio Manager can sell futures to hedge against market movements effectively without actually selling the stocks it holds.
- The Index Futures are instruments designed to give exposure to the equity Market indices. The pricing of an index future is the function of the underlying Index and interest rates.

Stock Futures:

Benefits

- Investment in stock futures can give exposure to the stock without directly buying the stocks. Appreciation in stocks can be effectively captured through investment in stock futures.
- The portfolio Manager can sell stock futures to hedge against adverse movements effectively without actually selling the stocks in holds.
- The risk and return payoff of the stock futures is similar to that of an index futures mentioned above.

Illustration:

Spot Index: 1100, 1 month Nifty Future Price on day 1: 1125, Portfolio Manager buys 100 lots, each lot has a nominal value equivalent to 50 units of the underlying index.

Let us say that on the date of settlement, the future price = Closing spot price =1150.

Profits for the Portfolio = (1150-1125)* 50 lots * 100 = ₹1, 25, 000/-

Please note that the above example is given for illustration purposes only.

The net impact for the Portfolio will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Portfolio will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity of Index Stocks and hence mispricing of the futures at the time of purchase.

Buying Options:

Benefits of buying a call option:

Buying a call option on a stock or index gives the owner the right but not the obligation to buy the underlying stock or index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration:

For example, if the Portfolio Manager buys a one-month call option on Infosys Technologies at a strike price of ₹2850 with the current market price being say ₹2860. The Portfolio Manager will have to pay a premium of say ₹15 to buy this call. If the stock price goes below ₹2850 during the tenure of the call, the Portfolio Manager avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Portfolio Manager gives up the premium of ₹15 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above ₹2850, it can exercise its right and own Infosys Technologies at a cost price of ₹2850 thereby participating in the upside of the stock. For such a transaction, the break-even price will be the sum of strike price and the premium paid, in this case it would be ₹ 2850 + ₹ 15 = ₹ 2865.

Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives him/her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration:

For example, if the portfolio owns Infosys Technologies and also buys a three month put option on Infosys Technologies at a strike of ₹2850, the current market price being say ₹2860. The Portfolio Manager will have to pay a premium of say ₹15 to buy this put. If the stock price goes below ₹2850 during the tenure of the put, the Portfolio Manager can still exercise the put and sell the stock at ₹2850, avoiding therefore any downside on the stock below ₹2850. The Portfolio Manager gives up the fixed premium of ₹15 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above ₹2850, say to ₹2870, it will not exercise its option. The Portfolio Manager will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of ₹2870.

Writing Options

Benefits of writing an option with underlying stock holding (Covered call writing)

Covered call writing is a strategy where a writer (say, the Portfolio Manager) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Portfolio Manager) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

Illustration:

Let us take for example Infosys Technologies, where the Portfolio holds stock, the current market price being ₹2850. The Portfolio Manager holds the view that the stock should be sold when it reaches ₹3000. Currently the one month 3000 calls option can be sold at say ₹150. Selling this call gives the call owner the right to buy from the portfolio, Infosys at ₹3000. Now the Portfolio Manager by buying/ holding the stock and selling the call is effectively agreeing to sell Infosys at ₹3000 when it crosses this price. So the Portfolio Manager is giving up any possible upside beyond ₹3000. However, the returns on the Portfolio are higher than what it would have got if it just held the stock and decided to sell it at ₹3000. This is because the Portfolio Manager by writing the covered call gets an additional ₹150 per share of Infosys. In case the price is below ₹ 3000 during the tenure of the call, then it will not be exercised and the Portfolio Manager will continue to hold the shares. Even in this case the returns are higher than if the Portfolio had just held the stock waiting to sell it at ₹3000.

Benefits of writing put options with adequate cash holding:

Writing put options with adequate cash holdings is a strategy where the writer (say, the Portfolio Manager) will have an amount of cash and will sell put options on a stock. This will give the buyer of this put option the right to sell stock to the writer (the Portfolio Manager) at a pre-designated price (the strike price). This strategy gives the put writer a premium, but if the put is exercised, he has to buy the underlying stock at the designated strike price. In this case the writer will have to accept any downside if the stock goes below the exercise price. The writer effectively gains a fixed premium in exchange for giving up the opportunity to buy the stock at levels below the strike price. This is advantageous if the strike price is the level at which the writer wants to buy the stock.

Illustration:

Let us take, for example, that the Portfolio Manager wants to buy Infosys Technologies at ₹ 2900, the current price being ₹3000. Currently the three month 2900 puts can be sold at say ₹ 100. Writing this put gives the put owner the right to sell to the portfolio, Infosys at ₹2900. Now the Portfolio by holding cash and selling the put is agreeing to buy Infosys at ₹2900 when it goes below this price. The Portfolio Manager will take on itself any downside if the price goes below ₹2900. But the returns on the Portfolio are higher than what it would have got if it just waited till the price reached this level and bought the stock at ₹2900, as per its original view. This is because the Portfolio Manager by writing the put gets an additional ₹100 per share of Infosys. In case the price stays above ₹2900 during the tenure of the put, then it will not be exercised and the Portfolio Manager will continue to hold cash. Even in this case the returns are higher than if the Portfolio had just held cash waiting to buy Infosys at ₹2900.

Risks associated with Investing in Derivatives:

When the Portfolio Manager transacts in the derivatives market, there are risk factors and issues concerning the use of derivatives that the investors should be aware of.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying interest but also of the derivative instrument itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is evolving in India

Risk Factors - Derivatives

- ***Counter Party Risk:*** This is the risk of default of obligations by the counter party.
- ***Market risk:*** Derivatives carry the risk of adverse changes in the market price.
- ***Illiquidity risk:*** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- ***Basis Risk:*** The risk that the movements in swap rates does not actually reflect the expected movement in benchmark rates, thus, creating a mismatch with what was intended.
- ***Model Risk:*** this is the risk of mis-pricing or improper valuation of derivatives.

The Portfolio Manager may use techniques such as interest rate swaps, options on interest rates, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI Regulation. These techniques and instruments, if imperfectly used, have the risk of the portfolio incurring losses due to mismatches, particularly in a volatile market. The portfolio's ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any).

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for forward rate agreements, interest rate swaps, futures and other derivative products would be adhered to.

The portfolio manager may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio.

The Client is advised to carefully review the Disclosure Document, Client Agreement and other related documents carefully and in entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under the Portfolio, before making an investment decision.

Investor Grievance Policy

Preamble

Sundaram Alternate Assets Limited has adopted the Sundaram Finance Group's corporate core values stressing Ethical business practices with transparency and accountability, dedicated investor service and prudent efficient policies since inception. As an Investment Manager to the portfolios of various clients, the company believes in creating and protecting interests of our investors. Accordingly, the Investors' Grievance Policy is framed with the objects to protect the interests of the investors.

Process

1. Handling of all investor grievances is a centralized function and is being handled by Client Relations Department in consultation with the Compliance department at corporate office.
2. The Company designated Ms.R.Sriranjani – Portfolio Management Services to receive and redress all the queries, grievances and complaints as per the Standard Operation procedures issued from time to time. A designated e-mail id has been created support@sundaramalternates.com
3. All Investor Grievances (hard copy or soft copy) that are received should be incorporated in the Register of Grievance and action to be initiated immediately.
4. All the Investor Grievances recorded should be addressed and resolved within 7 working days from the date of receipt of grievance/ complaints as the case may be.
5. Any course of action which involves the concerned department at Head office it would be informed to the concerned Head of the departments for suitable action.
6. If there is no response from concerned department within 5 working days of the complaint, the same would be escalated to Head Compliance for immediate action and if there no response within 7 working days the same would be reported to the Managing Director.
7. All investor complaints should be resolved within time period of 21 days of the receipt of the complaint to the PMS Department, Chennai.
8. The Compliance officer should verify and initial all the resolved grievance and complaints, recorded in the Register of Grievance and Complaints.
9. The Register of complaint and Grievance should be made available to the Internal/External Auditors during the time of Audit and to the Regulatory Authorities.
10. The soft copies / hard copies of the complaints received from the customers are preserved by the Client Relations Department for future reference, if required.

Address of Client Relations Department

Sundaram Alternate Assets Limited
Portfolio Management Services Division
Alamelu Terrace, 3rd floor, 163, Anna Salai, Mount Road, Chennai 600 002.
Mobile: +91 7305529179 / +91 7305744425 E-mail: support@sundaramalternates.com

The investor has to first approach the Portfolio Manager with his/her grievance for the purpose of redressal. In case the investor is not satisfied with the response provided by the Portfolio Manager, he/she may approach SEBI which takes up complaints against the various intermediaries, including Portfolio Managers, registered with it. The complaint has to be filed in SEBI Complaints Redress System (SCORES) at **http://scores.gov.in/Default.aspx.**

After exhausting all options as mentioned above for resolution, if the client is not satisfied, they can initiate dispute resolution through the Online Dispute Resolution Portal (ODR) at https://smartodr.in/login.

Alternatively, the client can directly initiate dispute resolution through the ODR Portal if the grievance lodged with the Portfolio Manager is not satisfactorily resolved or at any stage of the subsequent escalations mentioned above.

The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration in SCOREs guidelines or not pending before any arbitral process, court, tribunal or consumer forum or are non-arbitrable in terms of Indian law.

The process on Online Dispute Resolution Mechanism is available at https://www.sundaramalternates.com/Investor-Grievances.

Standard Operating Procedure			
Service request	**No. Of Working Days**	**Grievance / Complaint Handling**	**No.Of Working Days**
New account opening including documentation and registration of nomination i. Individual/HUF ii. NRI iii. Corporate	 7 working days* 14 working days* 10 working days*	Non receipt of statement	3 working days
Address change	5 working days with custodian as per Custodian TAT	Mistakes/ errors in statement	5 working days
Change of Bank Mandate	5 working days with custodian as per Custodian TAT		
Email change	5 working days with custodian as per Custodian TAT	Payment not received	3 working days
Online access	3 working days		
Statement of account request	3 working days	SEBI complaints	3 working days
Report request	3 working days		
Transmission	5 working days		
Capital gains statement	3 working days		
General Enquiries	3 working days		
Redemption	**Pay-out using Securities:** Within 15 days of receipt of the requisite documentation or 15 days from settlement of the last corporate action (for client's securities/investments), whichever is later. **Pay-out using Funds:** Within 45 days from receipt of the requisite documentation or 15 days from settlement of the last corporate action (for client's securities/investments), whichever is later. **Extension in pay-out timelines in either scenario:** Subject to prior intimation to the client.		
**Provided all documentations/KYC has been done.*			

Form C
Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
(Regulation 22)

Name of the Portfolio Manager: Sundaram Alternate Assets Limited
Address: Alamelu Terrace, 3rd floor, 163, Anna Salai, Mount Road, Chennai 600 002.
Mobile: +91 7305529179 / +91 7305744425 Fax: +91 44 28583156
E-mail : support@sundaramalternates.com

We Confirm that :-

1. The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
2. The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager.
3. The Disclosure Document has been duly certified by an independent chartered accountant (Mr P Babu, Membership Number 203358, Partner, M/s Brahmayya & Co., Chartered Accountants, 48, Masilamani Road, Balaji Nagar, Royapettah, Chennai 600 014. Telephone No.- 044- 2813 1128 /1138 /1148 /1158 Fax No.044-28131158), on 10th February 2026.
   (Copy of certificate issued by M/s Brahmayya & Co., Chartered Accountants is enclosed).

For Sundaram Alternate Assets Limited
Sd/-
Darshan Engineer
Principal Officer
Address: Satellite Gazebo Office No. 101 & 102, B - Wing,
Ground Floor, B D Sawant Marg, Andheri – Ghatkopar Link Road
Mumbai 400 093

Date: 10th February 2026
Place: Mumbai

BRAHMAYYA & CO.,
CHARTERED ACCOUNTANTS

48, Masilamani Road
Balaji Nagar, Royapettah
Chennai - 600 014. India
Phone: 2813 1128, 2813 1138
2813 1148, 2813 1158
Fax: +91 (044) 2813 1158

CHARTERED ACCOUNTANT'S CERTIFICATE

We have reviewed the Disclosure Document dated February 10, 2026 pertaining to Portfolio Management Services of Sundaram Alternate Assets Limited, Chennai with reference to the contents of Model Disclosure Document as per SEBI Circular No. SEBI/HO/IMD/IMD-RAC-3/P/CIR/2025/125 dated September 09, 2025 to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (the Regulations). Based on our review and the information and explanations given to us, we hereby certify that the items to be stated in the Disclosure Document in terms of the Regulations have been stated.

A Copy of the Disclosure Document forwarded to us by the Company is annexed to this Certificate, initialed for the purpose of identification.

This certificate is being issued to enable the Company to comply with the requirements of Securities and Exchange Board of India.

For Brahmayya & Co.
Chartered Accountants
Firm Registration Number: 000511S

Sd/-
P Babu
Partner
Membership no. 203358
UDIN: 26203358RDNLUF5399

Date: 10th February 2026
Place: Chennai