

OFFER DOCUMENT

NOVEMBER 2025

PARAG PARIKH IFSC S&P 500 FUND OF FUND

An open-ended Retail Scheme under the IFSCA FM Regulations.

FME Registration No. FDM2025FMR0814

Acknowledgment No. IFSC/Retail/2025-26/005

Trustee / Fiduciaries: Axis Trustee Services Limited (GIFT City Branch)

FME: PPFAS Alternate Asset Managers IFSC Private Limited

This Offer Document has been prepared in accordance with the IFSCA FM Regulations and subsidiary directions issued thereunder. Parag Parikh IFSC S&P 500 Fund of Fund, an open-ended Retail Scheme is managed by PPFAS Alternate Asset Managers IFSC Private Limited, which is registered with IFSCA as a Registered FME (Retail), having the registration number FDM2025FMR0814 under the IFSCA FM Regulations

The Offer Document sets forth the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Offer Document after the date of this document from the website of the FME / distributors. This Offer Document has to be read with addendums issued by the FME from time to time and hosted on the website. Investors are requested to note that no return from the Scheme is assured or guaranteed.

DECLARATION

It is confirmed that:

- i. This Offer Document has been prepared in accordance with the IFSCA (Fund Management) Regulations, 2025 and the guidelines and directives issued by IFSCA from time to time.
- ii. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- iii. The disclosures made in the Offer Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.

For and on behalf of PPFAS Alternate Asset Managers IFSC Private Limited

Name: Nirmal Bari
Designation: Principal Officer

DISCLAIMER

This Offer Document is issued in connection with and relates to an investment in the Units of the Scheme. The Scheme is launched as an open-ended Retail Scheme under the IFSCA FM Regulations, and the FME is registered with IFSCA as a Registered Fund Management Entity (Retail) under the IFSCA FM Regulations.

The information in this Offer Document for the Scheme is not exhaustive and may be changed. This Offer Document is not an offer to subscribe to the Units and does not solicit an offer to subscribe to Units in any jurisdiction where the offer or sale is not permitted. An offer or solicitation in respect of the Units in the Scheme will be made only through the final form of the Scheme's Offer Document.

The information in this Offer Document is current as at the date of this Offer Document, and may be supplemented, amended or modified from time to time by any further information in the form of an addendum in which event the information in this Offer Document shall be read as supplemented, amended or modified by such additional information, as the case may be. The addendum shall be provided to the Investors within reasonable timeline as specified under the Applicable Laws and shall also be available on the website of the FME.

Notwithstanding anything contained in the Trust Documents, the FME shall continue to be responsible for the compliance with the IFSCA FM Regulations, IFSCA circulars, and the directions issued by IFSCA, from time to time, and other Applicable Laws in relation to operations and reporting by schemes launched by the FME under the IFSCA FM Regulations. The FME has taken all reasonable care to ensure that the information in this Offer Document is true and accurate in all material respects and that there are no material facts, the omission of which would make any statement in this Offer Document, whether of fact or opinion, misleading. No other representation, warranty or undertaking is given in respect of the information in this Offer Document by the FME or by any other person duly authorized by the FME and neither the FME nor any other person duly authorized by the FME takes responsibility for the consequences of reliance upon any statement or information contained in, or any omissions from this Offer Document.

The Units of the Scheme are being offered for sale or subscription to the public as per the IFSCA FM Regulations. An investment in the Scheme involves certain significant investment risks, including loss of a prospective investor's entire investment. See "**SECTION VII: RISK FACTORS**" for a discussion of certain risk factors that should be considered by prospective investors. There will generally be no public market for the Units, and they will not, subject to certain conditions as stated in this Offer Document, be freely transferable.

The information on taxation contained in this Offer Document is a summary of certain tax considerations but is not intended to be a complete discussion of all tax considerations. The contents of this Offer Document are not to be construed as investment, legal, or tax advice. Investors should consult their own counsel, accountant or investment advisor as to legal, tax, and related matters concerning their investment.

No Person has been authorized in connection with this offering to give any information or make any representations other than as contained in this Offer Document. If given or made, such additional information or representations must not be relied upon as having been authorized.

Prospective investors should not treat the contents of this Offer Document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Units; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Units which they might encounter; and (c) the income and other tax consequences which may apply as a result of the purchase, holding, transfer, redemption or other disposal of Units. Prospective investors should make their own inquiries and must consult and rely upon

their own representatives, including their own legal and investment advisers and accountants, as to legal, tax, investment or any other related matters concerning the Units and an investment therein. Each prospective investor is responsible for its own costs in considering an investment in the Scheme.

Certain information contained in this Offer Document constitutes ‘forward-looking statements’ which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Scheme may differ materially from those reflected or contemplated in such forward-looking statements.

The defined terms used in this Offer Document shall have the meaning as ascribed to them under ‘**SECTION XII: GLOSSARY**’ to this Offer Document.

Investors may request additional information in relation to the Scheme by writing to the FME:

Name of the FME: PPFAS Alternate Asset Managers IFSC Private Limited

Contact Person: Mr. Nirmal Bari (Principal Officer)

Communication Address: Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India.

Telephone/Mobile No.: +91-079-65130109

Email: customerservice_gift@ppfas.com

PART A: DIRECTORY

FME	Name:	PPFAS Alternate Asset Managers IFSC Private Limited
	Registered office address and communication address:	Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India
	Telephone / Mobile:	+91 079-65130109
	Email:	customerservice_gift@ppfas.com

Trustee / Fiduciaries	Name:	Axis Trustee Services Limited (GIFT City Branch)
	Registered Address:	Axis House, P B Marg, Worli, Mumbai - 400025, Maharashtra, India.
	Communication / Branch Address	Unit No. 533, 5th Floor, Hiranandani Signature, 13B Zone 1, GIFT SEZ, GIFT City, Gandhinagar - 382050, Gujarat, India.
	Telephone:	+91 079 6526 6302
	Email:	aiitrustee@axistrustee.in

Legal Advisor	Name:	IC RegFin Legal Partners LLP
	Address:	Unit No. 409, 4 th Floor, Pragya Tower, GIFT SEZ, Gandhinagar – 382050, Gujarat, India.

Tax Advisor	Name:	Deloitte Touche Tohmatsu India
	Address:	One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (W), Mumbai – 400013.

Custodian	Name:	Kotak Mahindra Bank Limited
	Registered Address:	27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051, Maharashtra, India.
	Branch Address:	10th Floor, Hiranandani Signature, Block No.13, Zone - 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat, India.

Auditor	Name:	SDKD & Associates LLP
	Address:	Unit No. 320, Signature Building, Third Floor, Block 13B, Zone -I, GIFT SEZ, Gift City, Gandhinagar - 382355, Gujarat, India.

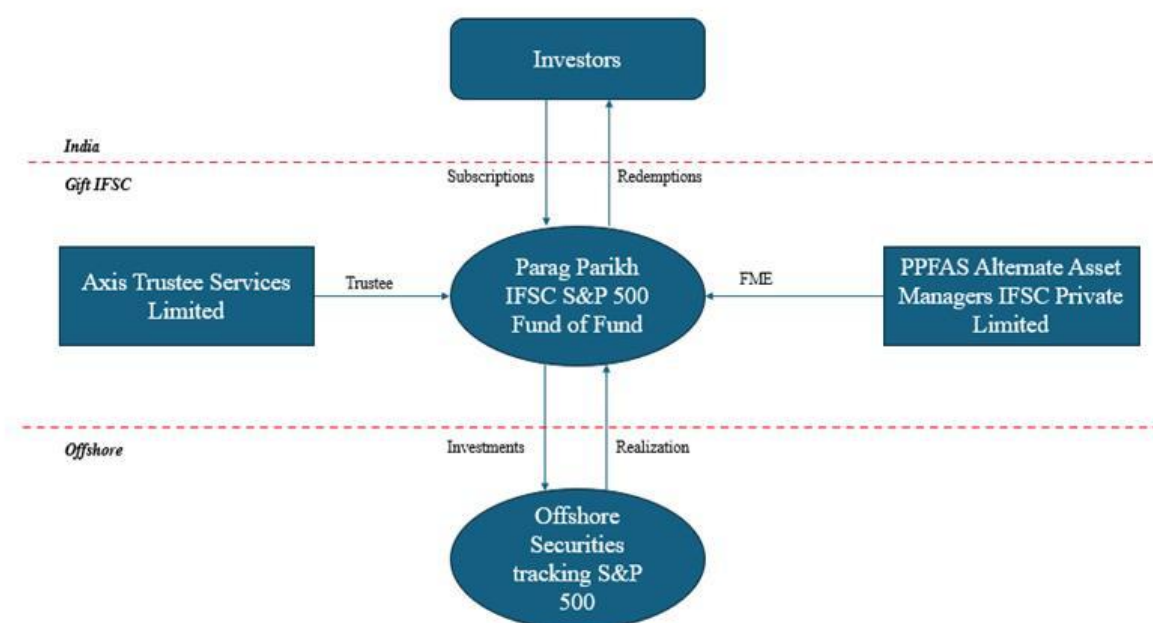
Registrar Transfer Agent ("RTA")	Name:	Computer Age Management Services Ltd. (formerly known as Computer Age Management Services Pvt Ltd)
	Registered Address:	New No.10, Old No.178, M. G. R. Salai, Nungambakkam, Chennai – 600 034, Tamil Nadu, India.
	Communication / Branch Address	Unit No. 409, 4th Floor, BIFC Building, Zone - 1, GIFT SEZ, GIFT City, Gandhinagar 382 355, Gujarat, India.

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SECTION I: SCHEME STRUCTURE

The diagram below is an illustrative representation of the proposed legal structure of the Scheme:



Important Notice: This structure chart is a simplified illustration of the Scheme's proposed legal structure as of the date hereof and describes in general the manner in which the Scheme intends to hold its investments. This organizational diagram is only a realization and does not show all of the entities that may comprise the Scheme.

The Scheme

'Parag Parikh IFSC S&P 500 Fund of Fund' has been established as a trust settled by the Settlor under the Indian Trusts Act, 1882 and is a Retail Scheme under the IFSCA FM Regulations. Subject to Applicable Laws, the Scheme shall primarily invest in Investee Funds operating within the investment objective as indicated in this Offer Document.

The Trustee

The Trustee of the Scheme is 'Axis Trustee Services Limited (GIFT City Branch)' ("Trustee"), a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Axis House, P B Marg, Worli, Mumbai - 400025, Maharashtra, India and GIFT City branch office at Unit No. 533, 5th Floor, Hiranandani Signature, 13B Zone 1, GIFT SEZ, GIFT City, Gandhinagar - 382050, Gujarat, India

The Trustee has all powers in respect of the property of the Scheme including power to manage the same. These powers along with the duties, to the extent permissible under Applicable Laws, in respect of the Scheme, have been delegated to the FME under the Investment Management Agreement. While

in accordance with the provisions of the Indenture, it would be the primary responsibility of the Trustee to ensure that the FME performs its obligations under the Investment Management Agreement entered between the Trustee and the FME. The Trustee shall not interfere with the actions of the FME as long as these actions are within its powers under the Investment Management Agreement and conform to the Applicable Laws and the objectives of the Scheme.

For further details about the Trustee, please see “**SECTION II: GOVERNANCE STRUCTURE**” of this Offer Document.

The Fund Management Entity

‘**PPFAS Alternate Asset Managers IFSC Private Limited**’ (“FME”), a company established under the provisions of the Companies Act, 2013, with its registered office at Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India shall act as the FME of the Scheme. The FME is registered with IFSCA as a Registered FME (Retail) under the IFSCA FM Regulations bearing registration number FDM2025FMR0814. The FME is a wholly-owned subsidiary company of Parag Parikh Financial Advisory Services Limited (PPFAS).

The Scheme will be managed by the FME pursuant to the terms of the Investment Management Agreement. The FME will *inter alia* be responsible for investments and divestment decisions of the Scheme and its day to day operations.

For further details about the FME, please see “**SECTION II: GOVERNANCE STRUCTURE**” of this Offer Document.

Custodian

‘**Kotak Mahindra Bank Limited**’, a banking company incorporated under the Companies Act, 1956, and licensed by the Reserve Bank of India under the Banking Regulation Act, 1949 and having its registered office at 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, acting through its IFSC Banking Unit in the International Financial Services Centre based in Gujarat International Finance-Tec City, India, and having its office at 10th Floor, Hiranandani Signature, Block No. 13, Zone – 1, GIFT SEZ, GIFT City, Gandhinagar – 382355, Gujarat, India, shall act as the Custodian of the Scheme. The Custodian is registered as a custodian with IFSCA, bearing registration number IFSC/CUS/2021-22/004.

Targeted Investors

Targeted Investors of the Scheme are any persons permitted to invest in the Scheme under the Applicable Laws including resident Indian individuals, minors, fund of funds, government institutions, corporates, limited liability partnership, public sector undertakings, private banks, insurance companies, global development financial institutions, multilateral organisations, family offices, Institutional Investors, high net worth individuals, accredited investors as classified in terms of the IFSCA FM Regulations and any other permissible Investors under Applicable Laws.

SECTION II: GOVERNANCE STRUCTURE

A. Trustee / Fiduciaries

a) **Name:**

Axis Trustee Services Limited (GIFT City Branch) (“ATSL”), a company incorporated under the provisions of the Companies Act, 1956, having its registered office at Axis House, P B Marg, Worli, Mumbai - 400025, Maharashtra, India and GIFT City branch office at Unit No. 533, 5th Floor, Hiranandani Signature, 13B Zone 1, GIFT SEZ, GIFT City, Gandhinagar - 382050, Gujarat, India acts as the trustee of the Scheme and is registered as an ancillary service provider with IFSCA to provide trusteeship services.

ATSL has gained deep expertise and extensive experience over their years of experience and through its holding company as a service provider. As a trustee custodian to institutional investors including Alternative Investment Funds, portfolio management service providers, foreign investors, and corporates, and is also now providing trusteeship services to large conglomerates and financial institutions big groups in India.

ATSL provides a complete range of trusteeship services including debenture and bond trustee, trustee for funds (Alternative Investment Funds, Infrastructure Investment Trusts, Real Estate Investment Trusts), securitisation & structured finance, security trustee, escrow agent, security agent securities monitoring, and facility agent. The scope of ATSL’s trusteeship services includes drafting/ vetting & execution of transaction security documents, conduction of know-your-customer of all the parties, creation of charge, safekeeping of documents, compliance oversight escrow agent services, and enforcement in the event of default, as applicable.

b) **Role:**

The Trustee is appointed to manage the Trust Property in accordance with the Indenture. The Trustee has appointed the FME and delegated its functions, powers and duties (to the extent permissible under Applicable Laws) of managing and administering the Trust Property in accordance with the Investment Management Agreement. The Trustee shall be responsible for ensuring compliance with the IFSCA FM Regulations and submitting reports to IFSC on the occurrence of any violation of the IFSCA FM Regulations. The Trustee shall ensure compliance for such other duties as specified under the Indenture and the Applicable Laws. The FME and the Trustee shall ensure compliance by the Scheme with the code of conduct as specified under the IFSCA FM Regulations.

c) **Names and Profile of the directors:**

1. **Mr. Rahul Choudhary**

Mr. Rahul Choudhary is a banker with around 21 years of experience (joined Axis Bank as a Management Trainee in 2003) across product/portfolio/process management with P&L ownership, operations, customer experience, strategy and planning, new product development, innovation/transformation, business development/coverage, project management and compliance/risk management.

These roles have been in multiple functions in Axis Bank and across domains like transaction banking, business & institutional banking, retail & branch banking, govt. banking, corporate credit, trade & forex and wholesale banking operations; with subject matter expertise in liability, payments, transaction banking, corporate credit/asset products, CMS, govt. business and digital banking.

His forte, across these multiple roles, has been in setting up new business lines/products/services from scratch and leading large organizational transformation initiatives - right from designing the blueprint and strategic framework to execution in line with the bank's vision and strategic goals; and driven a culture with strong and sharp focus on governance, risk and compliance across all my stints.

He was heading the Wholesale Banking Operations (WBO) department at Axis Bank with a team size of 3,500+ staff – a mix of central back-office units & decentralized wholesale banking service teams across credit, domestic & cross-border trade finance, retail forex & remittance, CMS & current account, treasury operations, custody & capital market and ground delivery of these services to wholesale (corporate & SME/commercial banking) clients through 350+ ground service teams (Wholesale Banking Centers).

His key responsibilities in the role included delivering superior customer service through best-in-class TATs leading to increased wallet share; enhanced operating efficiency through tech, digital & analytics driven Ops transformation; delivering on the digitization mandate through industry first initiatives and innovation including process re-engineering; accelerating digital adoption; increasing Cx / NPS scores; and ensuring compliance to regulations with effective and robust risk controls - the focus in the last few years has been on transformation of wholesale Ops as an agile & future ready customer centric Ops/service team with best-in-class compliance standards.

He has proven track record of delivery and execution across all roles. Specific to compliance – he has ensured nil RMP observations, reduced RBI RAR observations (and all closed within committed timelines with no delays/breaches) and no repeat issues, nil overdue issues across IAD/compliance/OR/FRR with more than 30% reduction in issues compared to previous year.

2. Mr. Prashant Joshi

Prashant Joshi is the Group Executive & Chief Credit Officer of the Bank since May 1, 2022. As the Chief Credit Officer, he is responsible for all underwriting functions across the retail and corporate segments.

Prashant has nearly three decades of experience in financial services, primarily in project finance appraisals and credit functions. He has been with Axis Bank since September 2006 in roles related to credit/ underwriting and risk across various segments.

In his previous stint, he was with the Industrial Development Bank of India in the project finance department for nearly 13 years, with in-depth experience of working on proposals across sectors. He started his career in a private firm as a project engineer.

Prashant is a civil engineer from Sardar Patel College of Engineering, Mumbai University.

3. Mr. Arun Mehta

Mr. Mehta is a postgraduate in Economics and is a certified member of the Indian Institute of Bankers. He has over 38 years of experience, which includes corporate banking (mid corporates as well as large corporates), international banking, ECBs and loan syndication (heading the Merchant Banking division), investment banking as well as retail banking. He has also had considerable international exposure, having worked overseas in Hong Kong handling loan syndications and investments.

He has earlier held the position of MD & CEO of SBI Capital Markets, the Merchant Banking arm of SBI. He was also the Non-Executive Chairman of SBICap Securities (Retail Broking arm), SBICap Ventures Ltd and SBICap Trustee Company Ltd. He was a Non-Executive Director in Investec Capital Services India Pvt Ltd.

Some of the other senior level assignments include Chief General Manager, financial control (ALM, budgeting and performance monitoring, raising equity and AT1 & Tier II debt).

He has also chaired the Mid Corporates Credit Committee for Gujarat, Diu and Daman.

4. Mr. Parmod Kumar Nagpal

Mr. Parmod Kumar Nagpal is a seasoned professional having more than 40 years of work experience. In 1989 Mr. Nagpal Joined SEBI as manager worked with SEBI for about 30.5 years.

Before retirement in December 2019 Mr. Nagpal was Executive Director of SEBI for almost 13 years. Mr. Nagpal has versatile experience of working in all operational departments of SEBI – Corporate Finance, Market Regulation, Mutual Funds, Venture Capital Funds, Market Intermediaries Supervision, Investigation and Foreign Portfolio Investors.

He was also involved in policy formulation and implementation of regulations, registration and supervision of market intermediaries, inspection of stock exchanges and market intermediaries, investigation of market manipulation and insider trading, takeovers, IPOs, compliance of listing requirements by the companies, corporate governance, etc. Many of the notifications of regulations and guidelines were done under his supervision including Listing Regulations and Foreign Portfolio Investors Regulations.

Mr. Nagpal was Chief Vigilance Officer of SEBI and in-charge of Internal Inspections department, HRD, Finance and Audit, Establishment, Premises and Internal Security and acted as disciplinary authority for internal matters.

While working with SEBI, he was assigned additional responsibilities of Director of its training institute - National Institute of Securities Markets (NISM) and CEO of Central Listing Authority. Was nominated on the boards of 3 stock exchanges and NISM.

Mr. Nagpal acted as Enquiry and Adjudicating Authority for deciding quasi-judicial matters of market participants based on evaluation of facts and evidence. Conducted enquiries under high court orders in the functioning of stock exchanges and default by stockbrokers.

Mr. Nagpal was a member of various committees of SEBI, other financial sector regulators, Government and international bodies pertaining to disclosures, enactment of the Companies Act 2013, corporate governance, KYC, anti-money laundering, insolvency code, etc. Chaired the standing committee of financial sector regulators (SEBI, RBI, IRDA and PFRDA) on credit ratings and was Chair of committees of International Organization of Securities Commissions (IOSCO) on Issuer Accounting, Audit and Disclosures, comprising of 33 countries. Also worked on climate related disclosures and sustainability.

Mr. Nagpal led a report on money laundering in securities markets in Eurasian Countries under international organization FATF (Financial Action Task Force) and was a speaker at various national and international forums on securities markets.

Prior to SEBI Mr. Nagpal worked in senior positions with (i) Delhi Stock Exchange (ii) an investment banking firm involved in stock broking, merchant banking and equity research and (iii) others.

Post SEBI Mr. Nagpal:

- Conducted training for officers of Insolvency and Bankruptcy Board of India (IBBI) on carrying out inspections and quasi-judicial proceedings. Subsequently, provided consultancy on the same subject and submitted a detailed report for further improvement of their systems and procedures.
- Provided consultancy to international agencies, listed companies, market intermediaries and advisor to group of entities and a leading law firm and advised on different segments of securities regulations.
- Passed test of proficiency conducted by MCA for appointment of independent directors.
- Got certificate of merit for all India quiz contest on Insolvency Code conducted by the Government of India and the IBBI for his performance being among the top 10 per cent of the participants.
- Enrolled as Advocate with Bar Council of Maharashtra and Goa and passed all India written examination conducted by Bar Council of India.
- Has been on the board of a listed company.

5. Mr. Bipin Kumar Saraf

Mr. Bipin Kumar Saraf is a rank holder Chartered Accountant and Cost Accountant and holds a bachelor's degree in commerce. He has more than 28 years of experience in the areas of finance and banking. Before joining Axis Bank Limited, Mr. Saraf was with IFCI Limited from 1995 to 2003. He commenced his career with IFCI Limited and was responsible for handling the portfolio of large and medium corporates belonging to various sectors including steel, power, textile, petrochemicals, etc. He joined the Capital Market department of Axis Bank Limited in 2003 and was in-charge of the Corporate & Financial Advisory portfolio in the Eastern Zone with the primary responsibility of undertaking project advisory & appraisal assignments, corporate restructuring and syndication of funds for various corporate clients. Subsequent to that he was responsible for the Structured Products business under the Capital Markets department of Axis Bank Limited. During his last stint with Axis Bank he was Head of the Global Debt Syndication business (International & Domestic). He has been with Axis Finance Ltd as its MD & CEO post acquisition of Enam Finance Private Limited as wholly owned subsidiary NBFC under Axis Bank. To his credit, Axis Finance Limited in the span of ten years has evolved as one of the growing NBFCs with a balance sheet size of above Rs. 35,000 crores and a prime focus on wholesale and retail lending with a consistent profitability track record.

d) *List of responsibilities retained by the Trustee under the Indenture:*

The responsibilities that have been assigned to the Trustee, in relation to the Scheme, shall be as per the provisions to such effect, as contained in the Indenture. However, the broad responsibilities that have been assigned to the Trustee, in relation to the Scheme, include the following:

- (i) The Trustee shall, within a reasonable time from the date of execution of the Indenture, enter into the Investment Management Agreement pursuant to which and subject to Applicable Laws, the Trustee shall delegate any and all of its powers and duties (to the

extent permissible under Applicable Laws) under the Indenture to the FME, and authorise the FME to undertake any and all of its powers and duties (to the extent permissible under Applicable Laws) under the Indenture, subject to the provisions of the Trust Documents and the Applicable Laws.

- (ii) The Trustee shall at all times exercise due diligence in carrying out its duties of protecting the interests of the Investors and act in the best interest of the Investors and endeavour to promote the interests of the Scheme.
- (iii) The Trustee may review and check whether all transactions entered into by the FME, are properly entered into in accordance with the Trust Documents and Applicable Laws.
- (iv) The Trustee shall cause the FME to maintain proper books of accounts, documents, and records in accordance with the provisions of the IFSCA FM Regulations.
- (v) The Trustee shall ensure that the Trust Property is kept segregated and ring fenced from all other assets and liabilities of the Trustee.

e) Role of Trustee in ensuring the regulatory compliance requirement:

The responsibilities that have been assigned to the Trustee, in relation to ensuring regulatory compliance of the Scheme, shall be as per the provisions to such effect, as contained in the Indenture and the IFSCA FM Regulations. However, the broad responsibilities that have been assigned to the Trustee, in relation to the Scheme, include the following:

- (i) The Trustee shall cause the FME to file such reports as may be required/demanded by all relevant government/ statutory/ regulatory authorities, including without limitation IFSCA, SEZ, from time to time, with regard to the activities carried on by the Scheme.
- (ii) The Trustee shall ensure that the FME provides to the Investors, all reports enumerated in the Trust Documents and as required under the Applicable Laws.

f) *List of responsibilities of the Trustee, delegated to the FME as per the Indenture:*

The Trustee shall delegate all functions, powers and duties of the Trustee under the Indenture, to the extent permissible under the Applicable Laws, *vide* the Investment Management Agreement to the FME. The FME (pursuant to the authority delegated by the Trustee in terms of the Investment Management Agreement), as the true and lawful attorney of the Scheme, shall perform any or all the acts, deeds and things for the management and administration of the Scheme in furtherance of and in accordance with this Offer Document. The FME will obtain requisite license/registrations including under the IFSCA FM Regulations, SEZ Act or such other Applicable Laws as may be required to carry out all permissible activities in furtherance of the above.

B. FME

a) *Name:*

PPFAS Alternate Asset Managers IFSC Private Limited and having its office at Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India, will act as the FME to the Scheme.

b) *Role:*

The FME (pursuant to the authority delegated by the Trustee in terms of the Investment Management Agreement) shall administer the Scheme in accordance with the respective Offer Document. The FME is registered under the IFSCA FM Regulations as a Registered FME (Retail) and shall carry-out the responsibilities of a Registered FME (Retail) as mentioned under the IFSCA FM Regulations.

c) *Name and Profile of the Directors:*

(i) Mr. Rajeev Thakkar (Executive Director)

Rajeev possesses relevant experience of over two decades in various segments of the Capital Markets such as investment banking, corporate finance, securities broking and managing clients' investments in equities.

Rajeev is Chartered Accountant, CFA charter holder, cost accountant and certified financial planner by profession. Rajeev is a strong believer in the school of “value-investing” and is heavily influenced by Warren Buffet and Charlie Munger’s approach.

(ii) Mr. Nirmal Bari (Executive Director)

Nirmal has over 11 years of experience in Equity Research, Private Equity & Venture Debt. He has worked extensively in the Public market on the buy side, screening undervalued stocks and building financial models including long term industry model to gauge growth potential. He has a strong track record in generating investment ideas, conducting financial analysis, and managing significant financial transactions.

Nirmal holds a PGDM from the Management Development Institute (MDI), Gurgaon, and a B.E. in Mechanical Engineering from the Faculty of Technology and Engineering, M. S. University, Baroda. He has also cleared CFA Level 1 and Level 2 exams. His expertise spans BFSI, IT, Auto, and Consumer sectors.

(iii) Mr. Dhinal Shah (Independent Director)

Dhinal is a practicing advocate and also, a Chartered Accountant by profession. He has more than 30 years of experience in taxation, exchange control, insolvency and corporate laws. He has advised Indian corporates and multinationals on double tax treaties, tax credits, transfer pricing, corporate tax, and IFRS. A former partner at EY, Dhinal serves as an Executive Committee Member of the International Fiscal Association and has held key positions, including Central Council Member of ICAI and Chairman of the Direct Tax Committee of the Gujarat Chamber of Commerce.

He has also co-authored a book and presented papers at various seminars on topics like taxation, accounting standards, and insolvency. He does contribute to articles in ICAI journals and other professional journals.

(iv) Mr. Viral Jhaveri (Independent Director)

Viral possess over a two decades of experience in research management, portfolio management, and industrial management. During his professional journey he held various positions and managed model portfolios and conducted in-depth sector research.

Viral is a Chartered Accountant by profession and holds a Master of Commerce in Banking and International Finance, as well as a Bachelor of Commerce in Accounting and Auditing from Gujarat University, where he secured first rank in the state examinations. His

expertise includes fundamental and quantitative analysis, investment process improvement, and governance.

C. Key Managerial Personnel

Principal Officer

Mr. Nirmal Bari is the principal officer of the FME who shall be responsible for overall activities of the FME in accordance with the IFSCA FM Regulations (“**Principal Officer**”). Mr. Nirmal has over 11 years of experience in Equity Research, Private Equity & Venture Debt. He has worked extensively in the Public market on the buy side, screening undervalued stocks and building financial models including long term industry model to gauge growth potential. He has a strong track record in generating investment ideas, conducting financial analysis, and managing significant financial transactions. In his current capacity as the Principal Officer, he is responsible for overall operations of the entity.

Mr. Nirmal holds a PGDM from the Management Development Institute (MDI), Gurgaon, and a B.E. in Mechanical Engineering from the Faculty of Technology and Engineering, M. S. University, Baroda. He has also cleared CFA Level 1 and Level 2 exams. His expertise spans BFSI, IT, Auto, and Consumer sectors.

Compliance Officer

Mr. Purvesh Pandit is the compliance officer and Company Secretary of the FME and in this capacity, he plays a strategic role in managing regulatory compliance, corporate governance, and operational support (“**Compliance Officer**”). With over a decade of professional experience, he has managed a broad range of complex corporate transactions, including mergers and acquisitions, initial public offerings (IPOs), private equity investments, start-up funding, and high-stakes due diligence. His areas of specialization include corporate governance, statutory and regulatory compliance, stakeholder engagement, liaising, and advisory support within the AIF industry.

He holds a Bachelor’s degree in Law (LL.B.), a Master’s degree in Commerce (M.Com.), and has been a member of the Institute of Company Secretaries of India (ICSI) since 2015.

Fund Manager

Mr. Akshay Falgunia is an investment professional with more than 7 years of experience in equity research, covering a wide range of sectors across both Indian and global markets. Throughout his career, he has developed a deep understanding of financial analysis, market dynamics, and strategic insights, enabling him to identify high-potential opportunities and mitigate risks effectively. His expertise spans company valuations, financial modeling, and in-depth sector analysis, providing a solid foundation for crafting well-balanced and growth-oriented investment strategies. He is a Chartered Accountant.

D. Parag Parikh Financial Advisory Services Limited (“PPFAS”) Group

PPFAS was set up in 1992 with the aim of providing advisory and transaction services on the Bombay Stock Exchange. This was extended to the National Stock Exchange a couple of years later.

PPFAS has over three decades of rich and varied experience in the financial markets, underpinned by a deep understanding of market dynamics, disciplined risk management practices, and a strong emphasis on focused investment research.

Since its inception, research has been the backbone of all operations at PPFAS. It was through rigorous and independent research that the firm initially carved out a space for itself in the highly competitive institutional broking segment. Over the years, this commitment to research has evolved into a core competency that continues to distinguish PPFAS in the fields of investment advisory and portfolio management.

PPFAS adopts a differentiated approach to investment research. Instead of producing lengthy reports based on publicly available data, the firm focuses on delivering actionable advice rooted in original thinking, deep insight, and sound business judgment. PPFAS is guided by the 'Law Of The Farm' which states that everything takes its own time and hastening the process will be counterproductive. This enables it to identify long-term opportunities often missed by conventional research.

A core pillar of investment research is the practical application of behavioural finance—the study of how psychological factors influence investment decisions. Investors frequently fall prey to emotional biases such as herd mentality, overconfidence, or loss aversion. PPFAS helps clients recognize and avoid these common pitfalls, while also seeking to capitalize on the irrational behaviour of the broader market. By combining independent research with behavioural insights, PPFAS aims to create sustainable value for its clients over the long term.

Leveraging on its nucleus of investment research, PPFAS was among the first set of firms which secured licenses to provide Portfolio Management Services (PMS) from the Securities and Exchange Board of India (SEBI), in 1996.

E. Performance record of the FME

The FME is a first-time manager and does not have any experience in fund management activities. However, the PPFAS group has vast experience in serving substantial number of retail clients for more than three decades in India, being a SEBI registered portfolio management services and mutual fund entity. The FME believes that its board of directors and senior management have adequate experience of dealing/handling the proposed activity.

F. Shareholding pattern of the FME

Details of shareholders and shareholding pattern of PPFAS Alternate Asset Managers IFSC Private Limited

Name of the shareholder	No. of shares	Nature of holding
Parag Parikh Financial Advisory Services Limited (“PPFAS”)	1,39,99,994	Beneficial Owner
Mrs. Geeta Parikh (Nominee of PPFAS)	1	Nominee
Mr. Rajeev Thakkar (Nominee of PPFAS)	1	Nominee
Mr. Sahil Parikh (Nominee of PPFAS)	1	Nominee
Ms. Sitanshi Parikh (Nominee of PPFAS)	1	Nominee
Mr. Neil Parikh (Nominee of PPFAS)	1	Nominee
Ms. Khushboo Joshi (Nominee of PPFAS)	1	Nominee
Total	1,40,00,000	100.00%

Notes: Nominee shareholders hold shares on behalf of beneficial owner - Parag Parikh Financial Advisory Services Limited.

G. Condensed financial information of the FME (currency USD)

(A) Income Statement

Income		
	For the financial year ended 2024 - 25¹	For the half year ended September 30, 2025
	Audited	Unaudited
Dividend	-	-
Trading	-	-
Management fee	-	-
Other income	351.15	30,264.00

¹ Note: The FME was incorporated on November 18, 2024. Hence, the financial information for previous years is not applicable.

Total income	351.15	30,264.00
Expenses		
Director's sitting fees	-	1,192.51
Trusteeship fees	-	3,100.00
Custodian fees	-	-
Registrar's fees	-	-
Other expenses		1,44,898.35
Total expenses	40,324.76	1,49,190.86
Gross profit	-39,973.61	-1,18,926.86
Depreciation	-	1,572.00
Net profit before tax	-39,973.61	-1,20,498.86
Tax	-	-
Profit after tax	-39,973.61	-1,20,498.86
Dividends	-	-
Retained earnings	-39,973.61	-1,20,498.86

(B) Assets and liabilities

Assets		
	As at 31st March, 2025²	As at 30th September, 2025
	Audited	Unaudited
Fixed assets Gross	-	49,811.53
Depreciation	-	1,572.00
Fixed assets - Net value	-	48,239.53
Current assets	11,72,682.82	30,076.91
Investments	-	16,00,000.00
Non current assets (right of use assets & security deposits)	63,941.24	55,295.45

² Note: The FME was incorporated on November 18, 2024. Hence, the financial information for previous years is not applicable.

Cash and bank balances	-	2,55,796.07
Less		
Current liabilities	51,464.83	9,640.01
Non current Liabilities (lease liabilities)	57,541.44	46,302.44
Provisions	-	2,153.57
Net worth	11,27,617.79	19,31,311.93
Represented by		
Issued and paid-up capital	11,67,591.40	16,24,931.00
Reserves & surplus	-39,973.61	3,06,380.93
Total	11,27,617.79	19,31,311.93

Note: Notwithstanding any information/ statements given above, the ultimate responsibility with regard to the continuous compliance of the Scheme with all applicable IFSCA regulations and circulars, etc. shall be vested with the fiduciaries and the FME.

SECTION III: INVESTMENT OBJECTIVE, STRATEGY AND PROCESS

Particulars	Details
Investment Objective	The investment objective of the Scheme is to carry on the activities permissible to a Retail Scheme under the IFSCA FM Regulations and for this purpose to collect monies from the public for making, managing and disposing of Investments in accordance with the Applicable Laws including the IFSCA FM Regulations, the SEZ Act and the Trust Documents. The Scheme seeks to generate returns and long-term capital appreciation for the Investors that correspond to the performance of the Benchmark subject to tracking error (and as reduced by fees and expenses). To achieve this objective, the Scheme will primarily invest in ETFs, UCITs and similar instruments that track the performance of the Benchmark. There is no assurance that the investment objective of the Scheme will be achieved.
Category of Registration	The Scheme is launched as an open-ended Retail Scheme under the IFSCA FM Regulations.

Investment Strategy

In order to achieve its investment objective, the Scheme, acting on the advice of the FME, will primarily invest in ETFs and UCITS that are designed to replicate the performance of the Benchmark. These Investee Funds will be selected with the aim of providing exposure to the equity securities comprising the Benchmark, either through full replication or other index-tracking methodologies.

The FME will exercise its discretion in selecting such ETFs and UCITS based on a range of factors, including but not limited to tracking error, expense ratio, liquidity, counterparty risk, tax efficiency and regulatory compliance. The Scheme does not seek to outperform the Benchmark but rather to track its performance as closely as practicable, subject to tracking error and the costs associated with indirect investment through pooled vehicles.

The Scheme does not pursue active management of individual securities but relies on the performance and composition of the selected ETFs and UCITS. The allocation among such underlying investments may be adjusted from time to time in response to changes in market conditions, fund performance, or other relevant considerations as determined by the FME. For additional details, investors are advised to refer to the scheme documents of the underlying ETFs/UCITs in which this Scheme has invested or seeks to invest.

There can be no assurance that the investment objective of the Scheme will be achieved. The value of the Scheme's investments may be affected by fluctuations in the market value of the underlying securities, tracking errors of the underlying funds, or other risks inherent in collective investment schemes and index-tracking strategies.

Investment Methodology

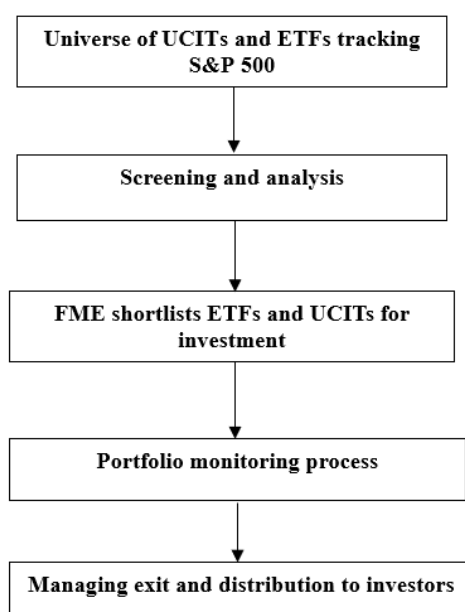
In selecting appropriate ETFs and UCITS for investment, the FME will consider a range of qualitative and quantitative factors to ensure alignment with the Scheme's investment objective. These include, but are not limited to, the following:

- **Tracking error:** The historical tracking error of the ETF or UCITS relative to the Benchmark will be assessed, with preference given to vehicles that demonstrate a consistent and minimal deviation from the index.
- **Expense ratio:** Emphasis will be placed on the selection of cost-efficient investment vehicles. Lower expense ratios are preferred in order to minimize the impact of fees and charges on the Scheme's net returns.
- **Liquidity:** The liquidity of the ETF or UCITS will be a key consideration, with preference given to vehicles exhibiting high average daily trading volumes and tight bid-ask spreads, to facilitate efficient portfolio rebalancing and minimize transaction costs.
- **Tax efficiency:** The Scheme will generally favour investment in accumulating share classes, which reinvest income rather than distributing dividends, in order to enhance tax efficiency. In addition, consideration may be given to the domicile of the ETF or UCITS, with a preference for jurisdictions that benefit from favorable tax treaties, thereby potentially reducing withholding tax leakage on underlying dividend income.

Investment Process

The FME has a robust fund selection framework based on which it will evaluate various categories of funds which fit the investment strategy and objective of the Scheme. The framework has various parameters including but not limited to quality and track record of the (i) asset management company, (ii) fund manager, (iii) underlying scheme; (iv) risk assessment parameters like performance in various market cycles, etc. At each stage of the process, the primary objective is to generate returns that correspond to the performance of the Benchmark while minimizing the tracking error.

The investment process is expected to be as follows:



***Note:** Please note that the investment process described in this section is indicative in nature, the FME may change few/key aspects of the investment process based on prevailing market conditions as it may deem necessary.*

Portfolio Allocation

The Scheme will invest 90% to 100% of its portfolio in units of ETFs and UCITs tracking the Benchmark. The Scheme may also hold investments of 0 to 10% in cash, and money market instruments for temporary deployment as permissible under the FM Regulations and to assist in its trading activity and market timing strategy. The Scheme will predominantly take exposure to developed economies including the United States of America.

SECTION IV: PRINCIPAL TERMS OF THE SCHEME

This is a description of the principal terms of the Scheme. This section provides the principal terms of the Scheme which may be provided in detail elsewhere in this document. The terms hereof are subject to modification or withdrawal throughout the term of the Scheme.

1.	CORPUS OF THE SCHEME	The Scheme anticipates to raise at least USD 3,000,000 (United States Dollars Three Million) or any such minimum amount as prescribed under IFSCA FM Regulations. The Scheme may commence investment activities upon achieving a minimum corpus of USD 1,000,000 (United States Dollar One Million); provided that the Scheme shall achieve a corpus of minimum USD 3,000,000 (United States Dollar Three Million) or any such minimum amount as may be prescribed under the IFSCA FM Regulations within 12 (twelve) months from the date of IFSCA's authorization/ communication regarding taking this Offer Document on record. The Scheme shall maintain the minimum Corpus of at least USD 3,000,000 (United States Dollars Three Million) or any such minimum amount as prescribed under IFSCA FM Regulations throughout the life of the Scheme in accordance with the IFSCA FM Regulations.
2.	SCHEME OFFERING	The Scheme is a Retail Scheme launched by the FME as an open-ended scheme. The Units of the Scheme may be offered to the public at large at the discretion of the FME, in accordance with the IFSCA FM Regulations.
3.	BENCHMARK	The performance of the Scheme will be benchmarked against the S&P 500 Net Total Return Index ("Benchmark"). The FME believes that the benchmark is most suited as per the investment objective and strategy as specified in this Offer Document. The FME may change the benchmark for the Scheme in the future, if a benchmark better suited to the investment objective of the Scheme is available at such time and as per the guidelines and directives issued by IFSCA from time to time.
4.	TARGET INVESTORS	Targeted investors of the Scheme are any persons permitted to invest in the Scheme under the Applicable Laws, including resident Indian individuals, minors, fund of funds, government institutions, corporates, limited liability partnership, public sector undertakings, private banks, insurance companies, global development financial institutions, multilateral organisations, family offices, Institutional Investors, high net worth individuals, accredited investors as classified in terms of the IFSCA FM Regulations and other permissible Investors under Applicable Laws.

		<i>Eligibility Criteria:</i> For the purpose of subscribing to the Units of the Scheme, a Person must fulfil the Eligible Person criteria. Further, please refer to paragraph 5 titled ‘Plans and Options’ and paragraph 9 titled ‘Initial Subscription and Additional Subscription’ in this “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” for subscription of Units of the Scheme.						
5.	PLANS AND OPTIONS	Initially, the Scheme shall issue the following Classes of Units: <table><tr><th>Class of Units</th><th>Description</th></tr><tr><td>Class A Units</td><td>To the investors investing in the Scheme directly and making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand) and to the FME and/or its Associates towards maintaining the minimum FME Commitment in the Scheme or otherwise, in accordance with the IFSCA FM Regulations, having a face value of USD 100 (United States Dollar One Hundred).</td></tr><tr><td>Class B Units</td><td>To the investors investing in the Scheme through distributors making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand), having a face value of USD 100 (United States Dollar One Hundred).</td></tr></table> The Scheme shall issue fully paid-up Units in accordance with the Offer Document. It is clarified that Units may include a fraction of a Unit evidencing Beneficial Interest in the Scheme of a value less than the face value of the respective Class of Units. The FME shall allocate liability, expenses, cost, charge or reserve arising from one Class of Units to that particular Class of Units. If any liability, expenses, cost charge or reserve incurred by the Scheme are, in the opinion of the FME, not specifically attributable to a specific Class of Units, such liability, expenses, cost charge or reserve shall be borne by the Scheme and allocated to one or more Class of Units in such manner as the FME deems appropriate, fair and reasonable and in accordance with this Offer Document. The Investors have to specify the “mode of holding” in the Application Form. The Scheme may onboard joint investors as permitted under the Applicable Laws. Request for nomination needs to be signed by all Investors jointly, irrespective of “mode of holding” & “mode of operation”.	Class of Units	Description	Class A Units	To the investors investing in the Scheme directly and making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand) and to the FME and/or its Associates towards maintaining the minimum FME Commitment in the Scheme or otherwise, in accordance with the IFSCA FM Regulations, having a face value of USD 100 (United States Dollar One Hundred).	Class B Units	To the investors investing in the Scheme through distributors making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand), having a face value of USD 100 (United States Dollar One Hundred).
Class of Units	Description							
Class A Units	To the investors investing in the Scheme directly and making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand) and to the FME and/or its Associates towards maintaining the minimum FME Commitment in the Scheme or otherwise, in accordance with the IFSCA FM Regulations, having a face value of USD 100 (United States Dollar One Hundred).							
Class B Units	To the investors investing in the Scheme through distributors making a minimum subscription of an amount equal to or more than USD 5,000 (United States Dollars Five Thousand), having a face value of USD 100 (United States Dollar One Hundred).							

6.	INITIAL OFFER PERIOD	The initial offer period of the Scheme shall not go beyond 12 (twelve) months from the date of receipt of acknowledgment/authorization from IFSCA taking the Offer Document on record or on receipt of a minimum corpus of at least USD 1,000,000 (United States Dollar One Million), whichever is earlier (“Initial Offer Period”). The Scheme may commence its investment activities upon receipt of a minimum corpus of at least USD 1,000,000 (United States Dollar One Million) and shall achieve a corpus of at least USD 3,000,000 (United States Dollar Three Million) (or any such minimum amount as prescribed under IFSCA FM Regulations) from Investors within 12 months from the date of receipt of acknowledgment/authorization from IFSCA taking this Offer Document on record. The FME at its discretion may extend the Initial Offer Period, in accordance with the IFSCA FM Regulations. Upon expiry of the Initial Offer Period, the Scheme may add new Investors or existing Investors may increase their investments in the Scheme in accordance with paragraph 7 under the heading ‘<i>Subscription / Offering Price</i>’ in this “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document. <u><i>Process for refund if the target corpus is not raised during the Initial Offer Period:</i></u> Upon expiry of the Initial Offer Period, if the Scheme is unable to achieve the prescribed corpus under the FM Regulations, the FME shall refund the subscription amount received from the Investors (net off any applicable expenses or charges). Such amounts shall be refunded to the registered bank account of the Investor as provided in the Investor Application Form within 15 Business Days from the date of expiry of the Initial Offer Period. The FME shall not be liable for any interim forex devaluation. Any refund amount that remains undelivered or unclaimed for a period of 90 (ninety) days from the date of effecting such refund by the FME shall be transferred to a separate bank account designated by the FME. For refunds to minor Investors, subject to the applicable foreign exchange regulations, the payment shall be made either (a) to the bank account of the minor as registered with the FME, or (b) to the bank account of the Guardian in case the minor's bank account is not registered or (c) a joint account held by the minor and the Guardian.
7.	SUBSCRIPTION / OFFERING PRICE	<u><i>Initial Offer Period:</i></u> During the Initial Offer Period, the Investors shall be admitted to the Scheme upon submission of the Investor’s Application Form along with the relevant ‘know your client’ documentation or upon receipt of such other documentation as

	requested by the FME and/or required under the Applicable Laws and along with subscription proceeds (exclusive of bank charges, if any). During the Initial Offer Period, the Investor shall be issued Units at the initial offer price of USD 100 (United States Dollars Hundred) per Unit in accordance with paragraph 9 titled '<i>Initial Subscription and Additional Subscription</i>' in this "SECTION IV: PRINCIPAL TERMS OF THE SCHEME". Units will not be allotted unless the FME is satisfied that the requisite documentation as mentioned above along with cleared funds (exclusive of bank charges, if any) in USD terms have been received by the Scheme no later than 5 (five) Business Days prior to the expiry of the Initial Offer Period or such period as the FME may deem fit (in respect of the Units subscribed for during the Initial Offer Period). <u><i>Expiry of Initial Offer Period:</i></u> After the expiry of the Initial Offer Period, any Investor may subscribe to the Units of the Scheme on the relevant Valuation Day, after the execution of the relevant 'know your client' documentation or upon receipt of such other documentation as requested by the FME and/or required under the Applicable Laws and along with subscription proceeds (exclusive of bank charges, if any). Such documentation should be received by the RTA <i>via</i> such email ID as may be specified with a scanned copy to the FME <i>via</i> email to onboarding_gift@ppfas.com or such email ID as may be specified by the FME from time to time or through the digital onboarding platform made available by the FME/RTA, latest by the Cut-off Time. The FME, at its sole discretion, may process applications received after the Cut-off Time, on a case-by-case basis. After the expiry of the Initial Offer Period, Investors shall be issued Units at the applicable Long term post-Tax NAV calculated for the relevant Valuation Day on which the subscription application is considered for processing. For the avoidance of doubt, it is clarified that in the event the subscription monies are received in the Scheme's designated bank account on a Valuation Day ("Receipt Date") prior to the Cut-off Time, the Long-term post-Tax NAV applicable to such subscription shall be the Long-term post-Tax NAV as of the Receipt Date. If the cleared funds are not received by the FME on the Receipt Date latest by the Cut-off Time, then the application will be held over to the Business Day following the Receipt Date and Units will then be issued to such Investor at the Long term post-Tax NAV as of the Business Day following the Receipt Date. Notwithstanding the above, the FME may modify the abovementioned timelines and may accept an application for subscription of Units anytime at its own discretion. It is clarified that the subscription amounts as received by the FME from the Investors (as the case may be) should be net of all bank charges and deductions and the net amount received by the
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	Scheme should be equivalent to the minimum initial subscription applicable to the respective Class of Units, as prescribed under this Offer Document. For avoidance of doubt, the Units shall be issued to the Investor for an amount which shall be equal to the Initial Subscription/Additional Subscription less the applicable stamp duty (payable in relation to the issuance of Units to the Investors, if any) and will thus reduce the amount actually invested by the Investors in Units, to this extent. Default Option: Where Application Forms are received for Class B Units without capturing the details of the distributor appropriately / incorrectly, the Units of Class A shall be allotted. The FME at its discretion may rectify such information with prospective/ retrospective effect. Subject to the applicable foreign exchange regulations, subscriptions by minor Investors shall be made as follows: (i) Where the Investor is a minor, the Investor's Application Form along with the relevant 'know your client' documentation and such other documentation as prescribed by the FME and/or required under the Applicable Laws shall be submitted and signed by the Guardian on behalf of the minor. (ii) The subscription amount shall be paid from either: (a) the minor's bank account registered with the FME; (b) the Guardian's bank account, if the minor's account is not registered; or (c) a joint account held by the minor and the Guardian. (iii) For any investments made in the Scheme through a Guardian, the Guardian must comply with the relevant 'know your client' documentation and such other documentation requirements as prescribed by the FME and/or required under the Applicable Laws. (iv) At the time of opening an account, documentary evidence, as prescribed by the FME and/or required under Applicable Laws, of the minor's date of birth (including birth certificate or copy of passport or Aadhar card or PAN card or any other document as required) and proof of the Guardian's relationship with the minor must be provided by the Guardian to the FME. (v) In case of change in Guardian of a minor, the new guardian must be a natural guardian (i.e. father or mother as the case may be) or a court appointed legal guardian and should submit the requisite documentation as may be prescribed by the FME and/or required under Applicable Laws.
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		(vi) Upon attaining majority, the minor in whose name the investment was made, shall immediately inform the FME of such change and shall be required to provide to the FME all the relevant 'know your client' documentation and such other documentation as prescribed by the FME and/or required under the Applicable Laws. Upon the minor attaining majority, no further transactions shall be allowed till the status of the minor is changed to that of a major.
8.	PURCHASE OF UNITS	A Person shall be admitted as an Investor in the Scheme upon submission of the Investor's Application Form along with the relevant 'know your client' documentation, subscription proceeds (exclusive of bank charges, if any) and such other documentation as requested by the FME and/or required under the Applicable Laws. The Application Form may be availed from any of the distributors, from the office of the FME, from the RTA and/or from the website i.e. https://gift.ppfas.com/ or through such other means or channels as may be made available or notified by the FME from time to time in accordance with Applicable Laws. The FME may enable various online facilities/electronic modes for transactions. For transactions received on online mode, for the purpose of determining the applicability of the relevant Long term post-Tax NAV in accordance with the Offer Document, would be the Receipt Date subject to KYC clearance prior to the Cut-off Time for the applicable NAV date. Such documentation should be received by the RTA <i>via</i> such email ID as may be specified with a scanned copy to the FME by the Cut-off Time <i>via</i> email to onboarding_gift@ppfas.com or such email ID as may be specified by the FME from time to time or through the digital onboarding platform made available by the FME/RTA. Further, at the sole discretion of the FME, documents sent in soft copy shall be followed with original documents being received by the FME within 7 (seven) calendar days of such submission through email, failing which the FME reserves the right to not accept further subscription and keep the distributions / Redemption Proceeds on hold till such time the original documents are received. Subscription money (exclusive of bank charges, if any) received from the Investors shall be treated by the Scheme as consideration for the Units subscribed by the Investors. Accordingly, once the Investors pay the necessary subscription amount and the relevant KYC documentation/ any other actions required under this Offer Document are concluded, the FME will issue the relevant Class of Units to such Investors. Any fractional values shall be rounded off to 3 decimal places.

		Payment for Units of the Scheme must be effected by wire transfer only to the bank account detailed in the Application Form or any other mode as communicated by the FME from time to time. The FME has the right to accept or reject (in whole or part) any application for Units of the Scheme. In case the application is rejected, the applicant will be informed, without any reason being ascribed and any application monies received by the Scheme will be returned without payment of interest and net of all applicable charges and any other outgoings in respect thereto, by wire transfer to the applicant’s bank account, at the applicant’s risk and expense. Duly completed applications received and accepted by the Scheme on the relevant Valuation Day are unconditional and irrevocable by the Investor. Units of the Scheme will be held in inscribed form and a confirmation will be sent to the applicant upon receipt of cleared funds, duly completed Application Form and acceptance of such funds by the Scheme. Investors subscribing to a Class of Units are advised that the Class of Units are issued subject to the provisions of the Trust Documents. The FME reserves the right to request such information as it considers necessary to verify the identity of the Investor. In the event of delay or failure by the Investor to produce any information required by the FME for verification purposes, the FME may refuse to accept the Application Form and all subscription monies relating thereto. Notwithstanding anything contained in the Offer Document, the terms at which a Person is admitted as an Investor shall be uniform across all prospective Investors, except with respect to distribution fees as may be applicable.						
9.	INITIAL SUBSCRIPTION AND ADDITIONAL SUBSCRIPTION	Subject to the IFSCA FM Regulations, the Initial Subscription for each Investor shall be as follows (“Initial Subscription”) <table><tr><th><i>Class of Units</i></th><th><i>Minimum Initial Subscription</i></th></tr><tr><td>Class A Units</td><td> Investors: USD 5,000 (United States Dollars Five Thousand) FME and/or Associates: At least 1% (one percent of the AUM of the Scheme or USD 200,000 (United States Dollars Two Hundred Thousand), whichever is lower, or such other amount as may be prescribed under the IFSCA FM Regulations. </td></tr><tr><td>Class B Units</td><td>USD 5,000 (United States Dollars Five Thousand)</td></tr></table>	<i>Class of Units</i>	<i>Minimum Initial Subscription</i>	Class A Units	Investors: USD 5,000 (United States Dollars Five Thousand) FME and/or Associates: At least 1% (one percent of the AUM of the Scheme or USD 200,000 (United States Dollars Two Hundred Thousand), whichever is lower, or such other amount as may be prescribed under the IFSCA FM Regulations.	Class B Units	USD 5,000 (United States Dollars Five Thousand)
<i>Class of Units</i>	<i>Minimum Initial Subscription</i>							
Class A Units	Investors: USD 5,000 (United States Dollars Five Thousand) FME and/or Associates: At least 1% (one percent of the AUM of the Scheme or USD 200,000 (United States Dollars Two Hundred Thousand), whichever is lower, or such other amount as may be prescribed under the IFSCA FM Regulations.							
Class B Units	USD 5,000 (United States Dollars Five Thousand)							

		For any additional purchase of Units, the minimum Additional Subscription shall be as follows (“Additional Subscription”): <table><tr><th><i>Class of Units</i></th><th><i>Minimum Additional Subscription</i></th></tr><tr><td>Class A Units</td><td>USD 500 (United States Dollars Five Hundred)</td></tr><tr><td>Class B Units</td><td>USD 500 (United States Dollars Five Hundred)</td></tr></table> However, the FME may at its sole discretion and in accordance with the IFSCA FM Regulations, prescribe or revise from time to time, any amounts as minimum Initial Subscription or Additional Subscription for each Investor. Any such amounts, such prescribed or revised shall apply uniformly to all Investors prospectively. The subscription proceeds should be received by the FME, exclusive of any bank charges. At the sole discretion of the FME, any subscription proceeds received lesser than the limit specified for Initial Subscription or Additional Subscription shall not be considered as a valid application and will be returned without payment of interest and net of all applicable charges. The Investor will be required to contribute the entire subscription amount at the time of submission of the Application Form or within such time period as may be stipulated by the FME. Post the expiry of the Initial Offer Period, any Initial Subscription or Additional Subscription will be at Long term post-Tax NAV determined in accordance with paragraph 7 under the heading ‘<i>Subscription / Offering Price</i>’ in this “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.	<i>Class of Units</i>	<i>Minimum Additional Subscription</i>	Class A Units	USD 500 (United States Dollars Five Hundred)	Class B Units	USD 500 (United States Dollars Five Hundred)
<i>Class of Units</i>	<i>Minimum Additional Subscription</i>							
Class A Units	USD 500 (United States Dollars Five Hundred)							
Class B Units	USD 500 (United States Dollars Five Hundred)							
10.	SYSTEMATIC INVESTMENT PLAN (SIP)	The FME may, at its sole discretion and at any date in the future, as it may deem appropriate introduce a Systematic Investment Plan (“SIP”) facility to allow investors to invest in the Scheme at regular intervals, subject to such terms and conditions as may be prescribed by the FME at the time of introducing such a facility. The availability, structure, frequency, eligibility, and other operational aspects in relation to the SIP shall be determined by the FME and may be modified or withdrawn at its discretion, without prior notice or the requirement of any amendment to this Offer Document.						
11.	SYSTEMATIC WITHDRAWAL PLAN (SWP)	The FME may, at its sole discretion and at any date in the future, as it may deem appropriate, introduce a Systematic Withdrawal Plan (“SWP”) facility to allow investors to withdraw amounts from the Scheme at regular intervals, subject to such terms and conditions as may be prescribed by the FME at the time of introducing such a facility. The availability, structure, frequency,						

		eligibility, and other operational aspects in relation to the SWP shall be determined by the FME and may be modified or withdrawn at its discretion, without prior notice or the requirement of any amendment to this Offer Document.
12.	FME COMMITMENT	In accordance with the IFSCA FM Regulations, the FME or its Associates will invest at least one percent (1%) of the AUM of the Scheme or USD 200,000, whichever is lower, or such other amount as may be prescribed under the IFSCA FM Regulations (“FME Commitment”). The FME or its Associates shall be issued Class A Units towards maintaining the FME Commitment. Such FME Commitment shall be made by the FME or its Associates within 45 (forty-five) days, or such extended period as may be allowed upon satisfaction of IFSCA, and shall be maintained on an ongoing basis. In addition to its contribution to the FME Commitment, the FME or its Associates may in its sole discretion make an Additional Subscription to the Scheme. It is hereby clarified that such Additional Subscription will not be subject to any obligations prescribed for the FME or its Associates under the IFSCA FM Regulations. The FME or its Associates may be issued Class A Units towards such Additional Subscription. It is clarified that such Additional Subscription by the FME and/or its Associates shall not be subject to any lock in requirements or restrictions to redeem.
13.	TERM OF THE SCHEME AND TERMINATION	The Scheme is open-ended with no definite tenure and shall terminate in accordance with the Trust Documents. Without prejudice to the above, the Trustee in consultation with the FME, may subject to the restrictions contained in the Applicable Laws and the Trust Documents, at any time terminate the Scheme upon: • the Scheme exiting from all Investments and distributing the exit proceeds to the Investors (as applicable); or • the Scheme being wound up in accordance with the terms of the Indenture; or • If 75% (Seventy – five percent) of the Investors by value of their investment in the Scheme pass a resolution at a meeting of Investors that the Scheme be wound up; or • The Trustee (in consultation of the FME) determines that the Scheme be wound up in the interests of the Investors; or • IFSCA so directs to wind up the Trust subject to such conditions as considered appropriate in the interest of the Investors or for orderly development of the financial market. Upon the occurrence of any of the events referred to hereinabove, the Trustee shall through the FME intimate IFSCA, the Investors and/or such government authorities, if required under the Applicable Laws of the circumstances leading to the winding up

		of the Scheme. Notwithstanding the termination of the Scheme, the Investors shall continue to remain liable to the following extent: • Any amount required to be paid to the Investee Funds that is attributable to the Investors; • The Scheme will continue for such period of time as may be necessary to liquidate existing Investments in an orderly manner; • Investments made by the Investors will be held to the extent necessary to pay the Scheme Expenses and discharge any Tax obligations or liabilities under Applicable Laws; and • The Management Fee and/or such other fee payable to the FME will continue to be payable as per the provisions of the Offer Document until the Scheme terminates and liquidates. Once the Scheme liquidates, the proceeds accruing to the Investors shall be distributed in accordance with the Trust Documents.
14.	REDEMPTION	Investors intending to redeem Units as of a Valuation Day must submit the redemption form along with the relevant documentation as requested by the FME (“Redemption Request”). Such documentation should be received by the RTA via such email ID as may be specified with a scanned copy to the FME by email to customerservice_gift@ppfas.com or such email ID as specified by the FME from time to time, latest by the Cut-off Time. For the avoidance of doubt, it is clarified that an application for redemption received on a Business Day (“Application Date”) before the Cut-off Time will be processed at the Redemption Price as on the Application Date. If the Investor fails to submit the redemption form and the requisite documentation as required by the FME on the relevant Application Date prior to the Cut-off Time, the redemption will be held over to the Business Day following the Application Date. A Redemption Request will be accepted and processed on the relevant Valuation Day, subject to the deduction of such amounts as may be determined by the FME. The minimum redemption amount shall be ‘any amount’ or ‘any number of units’ as requested by the investor at the time of Redemption Request. Provided that, in case of part redemption, the FME reserves the right to redeem all the Units, if the outstanding investments of the Investor at prevalent Long term post-Tax NAV is below USD 1000 (United States Dollar One Thousand) for the respective Class of Units as specified in this Offer Document. Notwithstanding the above, FME may accept the Redemption Request and provide exit to the Investors anytime at its own discretion. The FME will accept Redemption Request for minors through their Guardians only until they attain majority.

	A Redemption Request, once made, will be irrevocable and may not be withdrawn without the consent of the FME. In case an investor has purchased Units on more than one day (either under the Initial Offer Period or through subsequent purchases) the Units purchased first (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a first-in-first-out basis. In all cases, proceeds of redemption will be paid to the first-named holder (as determined by reference to the original Application Form). The FME may enable various online facilities/electronic modes for effecting redemptions. Redemption Requests through online mode should be received in the servers of FME by and the Cut-off Time as per the terms and conditions of such online transaction facility. If the Investor fails to submit the redemption form and the requisite documentation as required by the FME on the relevant Valuation Day before the aforementioned time, the redemption will be held over till the subsequent Valuation Day. The redemption of any Unit on any particular Valuation Day shall be at the relevant Redemption Price. It is hereby clarified that the “Redemption Price” for the purpose of this paragraph shall either be the Long term post-Tax NAV or Short term post-Tax NAV per Unit depending upon the period of holding of the Units of the Scheme by the Investors, as on the Valuation Day, in the manner set forth under “SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS” of this Offer Document. In circumstances where the FME is unable to liquidate its Investments in an orderly manner in order to fund Redemptions Requests of the Investors of the Scheme, or where the value of the assets and liabilities of the Scheme cannot reasonably be determined, the Scheme may take longer than the time periods mentioned above to effect settlements of redemptions, and may effectuate only a portion of a requested redemption or may even suspend redemptions. The aggregate Redemption Price for all Units being redeemed shall be reduced by reserves, Taxes, applicable Taxes from disposal of the Investments incurred by the Scheme in effecting the redemption as provided in the Offer Document, transaction costs, and any other fees, penalties, duties or costs payable by the Scheme or charged by the Investee Funds (“Redemption Proceeds”). The payment of Redemption Proceeds shall be effected by way of cash, through banking channels, to the registered bank mandate of the Investor as provided in the Investor Application Form or any alternative bank account duly communicated by the Investor to the FME and verified by the FME, within 7 (Seven) Business Days of the Valuation Day. It is clarified that prior to effecting the payment of Redemption Proceeds to such alternative bank account, the FME may undertake such verification procedures (including providing cooling off period), as it considers appropriate, including requiring the Investor to provide additional documentation or
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	execute such declarations or undertakings as the FME may deem necessary to confirm the ownership and authenticity of the alternative bank account. The FME shall not be liable for any delay in processing Redemption Requests or effecting payment of Redemption Proceeds arising from the implementation of such verification procedures or interim forex devaluation, if any. The timelines specified for the payment of Redemption Proceeds may accordingly be extended to accommodate the completion of these verification processes. The FME reserves the right to reject such request or communication from the Investor to effect the payment to an alternative bank account, without assigning any reason. In the event of any suspicious activity, unusual transactions associated with the alternative bank account, or discrepancies in the documentation provided by the Investor, the FME reserves the right to take such actions as it deems appropriate, including, withholding or delaying the payment of Redemption Proceeds, requesting additional information or documentation, and reporting the matter to relevant regulatory or enforcement authorities. Any fractional values shall be rounded off to 3 decimal places. In case the Units are standing in the names of more than one Investor, where mode of holding is specified as joint, Redemption Requests will have to be signed by all joint holders. However, in cases of holding specified as ‘anyone or survivor’, any one of the Investors will have the power to make Redemption Requests, without it being necessary for all the Investor to sign. However, in all cases, the proceeds of the redemption will be paid to the first-named holder only. Upon the redemption of Units, the Investor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive distributions which have been declared thereof prior to such redemption being effected) and accordingly its name shall be removed from the register of Investors (if any) with respect to such Units and the FME will be required to carry out requisite compliances to that effect. The FME on behalf of the Scheme reserves the right to refuse to make any Redemption Proceeds to an Investor if the FME suspects or is advised that the payment on account of exit from such Investor might result in a breach or violation of any applicable anti-money laundering or other laws or regulations (including the IFSCA FM Regulations), or such refusal is considered necessary or appropriate to ensure the compliance by the Scheme or the FME with any Applicable Laws. The FME is entitled to retain some amount of money from any Redemption Proceeds to pay Taxes and may also transfer such retained money to a reserve which the FME may deem reasonably
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		necessary for meeting any future contingent or unforeseen liabilities or obligations of the Scheme including any Tax demand and claims during or after the term of the Scheme but arising out of the activities of the Scheme during its subsistence. In the event there is any shortfall in <i>inter alia</i> meeting the Tax claim/liability, the FME or the Trustee shall be entitled to recover such shortfall from the Investors. Any Taxes discharged by the Scheme shall be done considering the permanent account number (“PAN”) of the Scheme. Subject to the applicable foreign exchange regulations, redemptions by minor Investors will be as follows: (i) Where the Investor is a minor, the Investor’s Redemption Request along with the relevant ‘know your client’ documentation and such other documentation as prescribed by the FME and/or required under the Applicable Laws shall be submitted and signed by the Guardian on behalf of the minor. (ii) The Redemption Proceeds shall be paid either to: (a) the minor’s bank account registered with the FME; (b) the Guardian’s bank account, if the minor's account is not registered; or (c) a joint account held by the minor and the Guardian. (iii) For any redemptions made from the Scheme through a Guardian, the Guardian must comply with the relevant ‘know your client’ documentation and such other documentation requirements as prescribed by the FME and/or required under the Applicable Laws.
15.	COMPULSORY REDEMPTION	The FME reserves the discretion to compel the removal of the Investor with not less than 7 (Seven) Business Days prior written notice for any of the following reasons: (i) The Investor ceases to be an Eligible Person; or (ii) In the reasonable opinion of the FME continuation of the Investor with the Scheme (a) will be materially prejudicial (including but not limited to causing regulatory, pecuniary, legal, taxation or administrative disadvantages) to the interest of the Scheme; or (b) will result in onerous obligations on the Scheme; or (iii) The investor is in breach of Applicable Laws or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Units of the Scheme including without limitation any exchange control regulations; or (iv) If any law or regulation has been passed that renders it illegal, or in the reasonable opinion of the FME impracticable or inadvisable to continue the Scheme; or

		(v) Change in residential status of the Investor from resident to non-resident as per the provisions of the IT Act. (vi) If there is a requirement of compulsory redemption in the Investee Funds pursuant to Applicable Laws and the Investee Fund Material Documents, the Scheme may have to redeem the Units of the Investors of this Scheme. The FME reserves the right to redeem investments of Investor which are in excess of 25% of the AUM of the Scheme, to meet the regulatory requirements prescribed under IFSCA FM Regulations, subject to the provisions of paragraph 26 titled '<i>Minimum number of Investors</i>' in this "SECTION IV: PRINCIPAL TERMS OF THE SCHEME". The FME shall determine the exit price of the Units held by the Investor being compulsorily redeemed based on the Redemption Price calculated on the date of compulsory redemption, or such other price as maybe determined by the FME and after considering any retention amount towards Taxes/ reserve for any future contingent or unforeseen liabilities or obligations or expenses as described at paragraph 14 titled '<i>Redemption</i>' in this "SECTION IV: PRINCIPAL TERMS OF THE SCHEME". The payments shall be made by FME in such time, as may be reasonably determined by the FME and which does not adversely impact the interest of the remaining Investors. Upon the compulsory redemption of Units, the Investor shall cease to be entitled to any rights in respect of such Units redeemed (except the right to receive a dividend, if any which may be declared thereof prior to such redemption being effected). It is clarified that any onerous obligations incurred by the Scheme arising out of such compulsory redemption of Units (including any expenses incurred in the disposal of Investments incurred by the Scheme in effect the redemption) shall be borne exclusively by the concerned Investor and shall be deducted from the Redemption Proceeds.
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16.	SUSPENSION REDEMPTION	OF The FME may suspend the determination of the NAV and the issue and exit of Units during whole or any part of a period if any one or more of the below circumstances occur: 1) Any circumstances leading to suspension of NAV of the Investee Fund; or 2) During which any of the markets of which any substantial portion of the investments of the Scheme are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or 3) when circumstances exist as a result of which in the sole opinion of the FME, it is not reasonably practicable to dispose of investments or as a result of which any such disposal would be materially prejudicial to the Investors; or 4) any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current price or values on any stock exchange or market; or 5) any period when the NAV of the particular Class of Units of the Scheme may not be determined accurately or otherwise; or 6) when the FME is of the opinion that a change or adoption of any law, rule or regulation by any governmental authority, central bank or other regulatory agency or any directive or request issued by any such body imposes restrictions on the sale or acquisition or transfer of investments; or 7) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the FME, including without limitation, delay in settlement or registration of securities transactions, the disposal of the assets of a Class is not reasonably practicable without materially and adversely affecting and prejudicing the interest of continuing Investors or if in the opinion of the FME, a fair price cannot be calculated for the assets of the Class; or 8) when by reason of voluntary or involuntary liquidation or bankruptcy or insolvency or similar proceedings, the Scheme's investments are affected or in events which results in the investments being nationalized, expropriated or otherwise required to be transferred to any government agency, authority or entity occurs; or 9) any period when proceeds of the sale or redemption of the Investor cannot be transmitted to or from the Scheme's account; or
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		10) if, as a result of currency exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Scheme are rendered impracticable, or if purchases, sales, deposits and withdrawals of the assets of the Scheme cannot be effected at the normal rates of exchange, as determined by the FME; or 11) in any other period when the FME, at its discretion, determines it to be in the interest of the Investors. In case of occurrence of similar circumstances (or such other circumstances as provided under the Investee Fund Material Documents) that arise with respect to the Investee Fund/s that cause a suspension in the redemption of units of the Investee Fund/s, the redemption of Units of the Scheme shall be correspondingly suspended. Notwithstanding anything stated above, suspension of exit shall be done by FME only in exceptional circumstances wherein such suspension is in the interest of the Investors or if the suspension is required under any Applicable Law or force majeure or imposed by any regulatory authority. In the event that there is a suspension of the determination of the NAV of a Class on any Valuation Day, the subscription and/or redemption of Units on relevant Valuation Day shall also be suspended. Notwithstanding anything stated in this Offer Document, during the suspension of the redemptions, the FME shall not accept new subscriptions. Subscription and Redemption Request may be withdrawn at any time while the calculations of the NAV of such Class are suspended. If not so withdrawn, such requests shall be carried forward to the first Valuation Day, on which the determination of the NAV of such Class shall have resumed. The decision by the FME to suspend exits, in particular the reasons for the suspension and the planned actions shall be appropriately documented and communicated to the Investors. The suspension shall be regularly reviewed by the FME. The FME shall take all necessary steps in order to resume normal operations as soon as possible having regard to the interest of Investors. The FME shall keep IFSCA and Investors informed about the actions undertaken by the FME throughout the period of suspension. The decision to resume normal operations shall also be communicated to IFSCA and the Investors as soon as possible.
17.	DIVIDEND TO INVESTORS	Not Applicable. The FME reserves the right to introduce options to pay dividend from the Class and details in this regard shall be accordingly provided to the Investors.
18.	TRUSTEESHIP FEE	For acting as the Trustee of the Scheme, and discharging its functions and responsibilities as the Trustee, the Trustee shall be

		entitled to receive a one-time fees of USD 800 (United States Dollars Eight Hundred) and a recurring annual fee of USD 800 (United States Dollars Eight Hundred) plus applicable Taxes, during the subsistence of the Scheme or such amount as may be mutually agreed in writing in the offer letter dated June 10, 2025 (bearing reference number ATSL/GF/25-26/0030) between the FME and the Trustee (“ Trusteeship Fees ”) from time to time.						
19.	MANAGEMENT FEE	As a consideration for the services to be rendered by the FME, the Scheme shall pay management fee to the FME (“Management Fee”). The Management Fee payable to the FME shall be part of the Total Expenses of the Scheme. The Scheme may additionally bear management fee (and/or such other similar costs) of the underlying Investee Funds by virtue of the Scheme’s investment in such underlying Investee Funds, in the manner as may be decided by the FME from time to time. Such fees and/or such other similar costs would form part of the Total Expense Ratio of the Scheme.						
20.	TOTAL EXPENSE RATIO	<u>Total Expense Ratio</u> The Scheme shall bear expenses (including Management Fees, distribution fees (as applicable) and Operating Expenses) (“Total Expense”), which shall accrue on a daily basis and payable on a monthly basis on the daily average AUM at the rates given below (“Total Expense Ratio”): <table><tr><th><i>Class of Units</i></th><th><i>Maximum Total Expense Ratio charged to the Scheme (including fees, costs and expenses of Investee Funds)*</i></th></tr><tr><td>Class A Units</td><td>0.40% (zero-point four zero percent) p.a.</td></tr><tr><td>Class B Units</td><td>0.70% (zero-point seven zero percent) p.a.</td></tr></table> <i>* Note: The maximum expense ratio without considering the fees, costs and expenses of the Investee Funds shall be 0.30% (zero-point three zero percent) p.a. and 0.60% (zero-point six zero percent) p.a. for holders of Class A Units and holders of Class B Units respectively.</i> The Total Expense payable to the FME shall be exclusive of all applicable Taxes (including statutory levies and indirect Taxes, as applicable) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such Total Expenses, the same to be borne by the Scheme and allocated to the holders of respective Classes of Units. .	<i>Class of Units</i>	<i>Maximum Total Expense Ratio charged to the Scheme (including fees, costs and expenses of Investee Funds)*</i>	Class A Units	0.40% (zero-point four zero percent) p.a.	Class B Units	0.70% (zero-point seven zero percent) p.a.
<i>Class of Units</i>	<i>Maximum Total Expense Ratio charged to the Scheme (including fees, costs and expenses of Investee Funds)*</i>							
Class A Units	0.40% (zero-point four zero percent) p.a.							
Class B Units	0.70% (zero-point seven zero percent) p.a.							

	The Scheme shall be required to withhold appropriate Taxes under the Applicable Laws from the Total Expense payable to the FME. The FME may modify the Total Expense for a particular Class of Units subject to compliance with the Applicable Laws, which shall uniformly apply to all Investors prospectively. The Scheme's Total Expense shall <i>inter alia</i> include the following: 1. Management Fees payable to the FME as a consideration for the services to be rendered by the FME as specified under paragraph 19 titled '<i>Management Fee</i>' of this Offer Document. 2. Distribution fee as specified under paragraph 21 titled '<i>Distribution Fees</i>' of this Offer Document. 3. Operating Expenses of the Scheme as stated below. It is clarified that expenses (including the operating expenses and/or such other similar costs) of the underlying Investee Fund are also included within the Total Expense Ratio of the Scheme. <u>Operating Expenses</u> The annual operational expenses of the Scheme will be borne by the Scheme and allocated to the relevant holders of Class A Units and Class B Units within the Total Expense Ratio as stated above: The Operating Expenses shall <i>inter alia</i> include the following ("Operating Expenses"): • Costs involved in marketing of the Scheme; • Expenses incurred in the operation of the Scheme; • Statutory, legal, accounting audit, custodial, dematerialisation, consulting, any other third party fees and operating expenses related to the Scheme and other professional fees; • Expense incurred by the Scheme for collection of subscription money/ies; • Operating legal and statutory expenses; • Due diligence expenses; • Banking, registration, qualification, depositary and similar fees or commissions; • Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Scheme's assets and other statutory expenses; • Trusteeship Fees; • Costs of financial statements and other reports (including reports to Investors) and meetings of the FME; • Communications, travel and other expenses;
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	• Expenses associated with maintenance of books of accounts and other records of the Scheme; • Administration, communication, advertising, promotional, operating, and transactional expenses (including bank charges) incurred by the Scheme; • Fees payable to banks, and any consultants for providing services to the Scheme; • Reasonable premiums for insurance for protecting the directors, officers, shareholders, employees and agents of the Trustee and FME; and • Proportionate liquidation expenses of the Scheme; • Cost, fees and expenses associated with the underlying Investee Funds, including management fees, operating expenses, set-up costs, trading expenses or any other such similar costs/fees/expenses being borne by the Scheme by virtue of the Scheme's investment in such Investee Funds. • All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically covered above arising out of or in the course of managing or operating the Scheme. Any of the aforesaid Operating Expenses incurred by the FME shall be reimbursable by the Scheme to the FME. <u>Set-up Costs</u> The one-time Set-up Costs shall be borne by the FME (“Set-up Costs”). The Set-up Costs shall include the costs incurred towards the organization of the Scheme, setting up and offering costs, legal fees and professional expenses incurred in relation to the preparation and negotiation of the Trust Documents (including fees paid for legal opinions, if any) or any other documents applicable to the Scheme in relation to the offering of Units pursuant to this Offer Document, printing costs in relation to the Trust Documents, stamp duty (other than on issuance of Units) and registration charges, establishment and registration expenses and such other costs directly attributable to the establishment of the Scheme and obtaining various licenses, approvals and registrations. Notwithstanding the foregoing, the Scheme may bear set-up costs (and/or such other similar costs) of the underlying Investee Funds by virtue of the Scheme's investment in such underlying Investee Funds, in the manner as decided by the FME from time to time. Such costs would form a part of the Total Expense Ratio of the Scheme. <u>Other Expenses:</u> In addition to the Total Expenses, the Scheme will be responsible for all costs and expenses at actuals and attributable to the Investors, related to its own operations whether incurred directly
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		by the Scheme or by the Trustee or the FME for and on behalf of the Scheme, including, without limitation (“Other Expenses”): i. <u>Trading Expenses</u> The trading expenses of the Scheme will be borne by the Scheme on actuals and allocated to the Scheme (“Trading Expenses”). The trading expenses / transaction expenses shall, inter alia, consist of the following: • Stamp duty charges (wherever applicable); • Brokerage charges; • Securities Transaction Taxes (wherever applicable); and • Transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of the Scheme’s assets and other statutory expenses. • Statutory expenses incurred in acquiring, holding, selling or otherwise disposing of the Investments; • Custodian charges (volume based) and Depository charges; • Banking, registration, qualification, depository and similar fees or commissions; and • Costs and charges as imposed by stock exchanges. ii. Taxes and other governmental charges levied against the Scheme; iii. In the event any indirect taxes are deemed to apply to any dividends if paid by the Scheme, such taxes (including any future Tax liabilities) shall be borne by the Investors, at the relevant point in time when such taxes are determined as applicable; iv. Expenses incurred in connection with any indemnification obligations; and v. Any litigation and any other extraordinary and non-recurring expenses. Such Other Expenses will be charged by the Scheme at actuals, over and above the Total Expense Ratio. It is expressly clarified that subject to Applicable Laws, any Scheme Expenses incurred by the Scheme, shall be incurred for and on behalf of the Investors for the Scheme and any Taxes applicable on such Scheme Expenses shall be accrued to the account of the Investors. The Scheme may additionally bear trading expenses (and/or such other similar costs) of the underlying Investee Funds by virtue of the Scheme’s investment in such underlying Investee Funds, in the manner as decided by the FME from time to time. Such costs would form part of the Total Expense Ratio of the Scheme.
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21.	DISTRIBUTION FEES	The distributors may charge a distribution fee, which would be borne by the Scheme within the Total Expense payable by holders of Class B Units who are sourced through distributors.
22.	TRANSFER/PLEDGE AND TRANSMISSION OF UNITS	Subject to Applicable Laws, Investors are not permitted to solicit or transfer/pledge any of their Units, interests, rights or obligations with regard to the Scheme, without taking the prior written consent of the FME (which may be denied by the FME). Such transfer/pledge may need to be undertaken through instruments in writing in the usual form, or in any other manner specified by the FME and would be subject to the provisions of the Indenture. It is hereby clarified that such transfers will also include merger, amalgamation or reconstitution of the Investor. The Investors may transfer/pledge their Units, rights or obligation with regard to the Scheme to a transferee/pledgee subject to the following requirements: - The proposed transferee/pledgee is an Eligible Person; - The proposed transfer/invocation of pledge, if any shall be subject to execution of necessary documentation by the transferor/transferee or the pledgor / pledgee (as the case may be) as may be stipulated/prescribed/required by the FME; and - The proposed transfer/pledgee will not contravene any Applicable Law or policy of the Government or otherwise is not prejudicial to the interests of the Scheme. The FME may decline to recognise and register any such transfer/pledge of Units in case of violation of Applicable Laws and transfer restrictions. The Investor shall intimate the FME of their intention to transfer/pledge the Units and shall share such information of the proposed pledgee as may be required by the FME to determine the eligibility of the proposed pledgee. Subject to Applicable Laws, costs and duties with respect to such transfer/pledge shall be borne by the new investor (transferee/pledgee). Any Tax liability or obligation arising from such transfer/pledge of Units pursuant to such transfer/invocation of pledge shall be the responsibility of the transferor/transferee or the pledgee/pledgor (as the case may be). The FME at its discretion, may pledge the Units or place a lock-in of Units in the Scheme, <i>inter alia</i> on account of any regulatory communication / action, fraudulent activity in the folio and/or by investor, distributor etc (which may be concluded or pending investigation). <u>Deceased Investor</u> In the event of the death of an Investor (“Deceased Investor”), the FME may, in its discretion, take any action in respect of the

		investments of the Investor and/or Units of such Deceased Investor on equitable grounds subject to compliance with the procedural requirements of the FME including execution of such necessary documentation as may be prescribed by the FME and compliance with Applicable Laws (as required). Such actions shall include but not be limited to permitting the successor of the Deceased Investor to substitute the Deceased Investor in the Scheme by transmission of the Units; providing an exit in respect of the Units of such Deceased Investor etc. Further, in case a nominee has been notified by the Deceased Investor to the FME before his/her death, then such nominee shall be deemed to be the successor of the Deceased Investor, subject to compliance with Applicable Laws and the procedural requirements of the FME including execution of such necessary documentation as may be prescribed by the FME in the Trust Documents. It is hereby clarified that in the case of joint Investors, the surviving Investor shall be deemed to be the sole Investor on the demise of another Investor. Further, it is hereby clarified that any actions by the FME as stated above on death of an Investor, shall constitute full and valid discharge of the Trustee and/or FME and/or the Scheme of any liability towards the legal heirs of the Deceased Investor. In case of being notified of disputes on the Units, the FME shall keep the Units under lock-in for further redemption and/or processing till such time the disputes are resolved and appropriate documents <i>inter alia</i> including but limited to court order, settlement order, indemnity is submitted to the FME to its satisfaction. No commercial / non commercial transaction (including but not limited to additional subscriptions, redemptions, transfers and distributions) will be permitted in the folio pending incomplete documentation / clarification sought by the FME / unresolved disputes. The FME shall not be liable for any direct / indirect losses arising on account of such suspension of activity in the folio.
23.	SWITCH	Investors have the option to Switch part or all of their Unit holdings in the Scheme to any other Retail Scheme launched by the FME from time to time. The Investor also has the flexibility to Switch their investments / Redemption Proceeds from any other Retail Scheme of the FME into this Scheme. This option will be useful to Investors who wish to alter the allocation of their investment among the Retail Scheme(s) launched by the FME in order to meet their changed investment needs. Switch will take place at the Redemption Price after considering all applicable taxes and fees. The Switch will be effected by way of a redemption of Units from the Scheme at the relevant Redemption Price, and reinvestment of the Redemption Proceeds into another Retail Scheme launched by

		the FME at the applicable NAV (as per the documents of the said Retail Scheme) and accordingly the Switch must comply with the redemption rules of the “Switch out” scheme and the subscription rules of the “Switch in” scheme. Subject to Applicable Laws, the scheme from which the investment is switched out shall transfer the Redemption Proceeds to the bank account of the scheme where the investments are switched in, towards subscription money. “Switch” means redemption of a unit in any Retail Scheme launched by the FME against purchase of a unit in another Retail Scheme launched by the FME.
24.	REINVESTMENT	The FME shall, in its own discretion, retain an amount of up to 100% (One Hundred per cent) of realization proceeds from any realized Investments (including from investments in units of the Investee Funds) and/or Temporary Investments and apply such amount in making further Investments and/or Temporary Investments (after adjusting for expenses and Taxes (as applicable), as it may deem fit.
25.	GIVEBACK BY THE INVESTORS	Subject to the provisions of the Applicable Laws, the FME or Trustee, in prior consultation with the FME, may require an Investor to return redemptions made to the Investor in order to satisfy the Investor’s <i>pro rata</i> share of any obligations or liabilities of the Scheme (including any indemnification obligations, Tax liability/claim, liability of the Investee Funds towards which the Scheme has to giveback distributions in accordance with the Investee Fund Material Documents), during and beyond the term of the Scheme. Subject to the provisions of the Applicable Laws including the Limitations Act, 1963, the IT Act, the obligation to return redemptions may also continue beyond the term of the Scheme as determined by the FME or the Trustee, in consultation with the FME, by providing a notice to the Investors for the same.
26.	MINIMUM NUMBER OF INVESTORS	The Scheme shall have a minimum of 20 investors (“20 Investors Limit”) and no single investor shall account for more than 25% of the AUM of the Scheme (“25% Limit”) (collectively referred to as the “20/25 rule”). However, if the 20/25 rule is not met during the Initial Offer Period, the Scheme shall ensure compliance with the 20/25 rule within such period as prescribed under the IFSCA FM Regulations. In case the Scheme does not have a minimum of 20 investors in the stipulated period stated above, the Scheme shall be wound up within a period of 6 months from the date of such breach and the Units would be redeemed at the Short term post-Tax NAV . If there is breach of the 25% Limit by any Investor during the Initial Offer Period, Units to the extent of 25% of the AUM of the Scheme only shall be allotted to the Investor and the remaining subscription money shall be refunded back to such Investor net of bank charges, if any.

		Post the Initial Offer Period, in case of breach of the 25% Limit of an Investor, a rebalancing period of 1 (one) month would be available and thereafter, the investor who is in breach of the rule, shall be given 15 calendar days notice to redeem his exposure over the 25% Limit. Failure on the part of the said Investor to redeem his exposure over the 25 % Limit within the aforesaid 15 days would lead to automatic redemption on either the Long term post-Tax NAV or Short term post-Tax NAV (depending upon the period of holding of the Units of the Scheme by the Investors, as on the Valuation Day) on the 15th day of the notice period of such excess Units.
27.	INDEMNIFICATION	The Scheme will indemnify and hold harmless the (i) FME, Settlor, Trustee and any of their respective officers, directors, shareholders, partners, employees and agents, (ii) members of any board or committee of the FME; contemplated in the Trust Documents or any other party as may be decided by the FME (“Indemnified Persons”) against any and all claims, losses, liabilities including Tax liabilities, costs, damages, expenses including legal fees, and amounts paid as settlement claim incurred by them or likely to be incurred or suffered by them by reason of their association with the Scheme (“Losses”) except to the extent such Losses resulted from the Indemnified Person’s Malfeasance. Any indemnity expressly provided to the Indemnified Person under this paragraph is in addition and without prejudice to any indemnity available under Applicable Laws and shall extend to such Indemnified Person’s successors, permitted assigns and legal representatives. Provided nevertheless that any provision of this paragraph shall be void insofar as it would have the effect of exempting the Indemnified Person from or indemnifying them against any liability arising out of Malfeasance. To clarify: (i) In addition to above, the FME shall also be indemnified for any indemnifications provided to the indemnified persons of the Investee Funds. (ii) In addition to the above, each Investor will also indemnify the Scheme and the Indemnified Persons in respect of any and all indemnification obligations of the Scheme arising from the Investee Fund Material Documents and the Scheme’s investment in the Investee Funds.
28.	TEMPORARY DEPLOYMENT OF SURPLUS FUNDS	Temporary investments by the Scheme shall be made in certificates of deposit, units of investment schemes such as overnight, liquid or money market schemes, money market instruments, bank deposits or any other securities or financial assets or instruments as maybe specified by the IFSCA from time to time and as permitted under the Applicable Laws and the Trust Documents (“Temporary Investments”).

		Until subscription amounts received by the Scheme are utilized towards Investments / reinvestments and/or pending dividend or as a reserve for the Scheme's anticipated obligations (including Tax obligations/liabilities), as applicable, the FME shall be entitled to invest the same in Temporary Investments. Any gains arising to the Scheme from such Temporary Investments shall be accrued in the Scheme and shall form part of the NAV of the Scheme.
29.	CURRENCY PRINCIPLES	The functional currency of the Scheme shall be USD.
30.	LEVERAGE	The Scheme may borrow for the purpose of meeting temporary liquidity requirements needs of the Scheme for the purpose of redemption. Such borrowing shall be undertaken in accordance with the limits and for such time period as prescribed under IFSCA FM Regulations.
31.	REPORTING	Subject to Applicable Law, the FME shall maintain proper books of accounts, documents and records with respect to the Scheme, to give a true and accurate account of the investments, expenses, earnings and gains of the Scheme. The Investors will receive: (a) NAV (Long term post-Tax NAV and Short term post-Tax) on a daily basis i.e. on every Business Day (it may be hosted on website on the FME). For clarity the NAV as on a particular Business Day will be available on the immediately following Business Day; (b) the portfolio of the Scheme on a quarterly basis within one month from the end of the quarter; (c) a monthly report providing information about their holdings in the Scheme within 5 (five) Business Days after the end of the month or within such other timeline as may be permitted under the IFSCA FM Regulations, and within 10 (ten) Business Days in case of receipt of such request from the Investor (as per Regulation 136 (1) of the IFSCA FM Regulations); (d) annual reports/abridged summary, including audited financial statements of the Scheme (within four months from the end of the Financial Year) (as per Regulation 134 (3) of the IFSCA FM Regulations); (e) Any other material disclosure as considered required by the FME or the Trustee under the Applicable Laws. All the above referred reports/information shall be furnished to the Investors electronically by e-mail unless otherwise specified by the Investor.
32.	TAXATION	A summary of certain principal tax consequences applicable to the Scheme is set forth in “ SECTION IX: LEGAL,

		REGULATORY AND TAX CONSIDERATIONS” of this Offer Document. In view of the varying nature of tax consequences, each prospective Investor is advised to consult its own tax adviser with respect to the specific income or other tax consequences applicable to them as a result of an investment in the Scheme.
33.	VALUATION	The ‘Net Asset Value’ or ‘NAV’ shall mean the net asset value of the Scheme or a Class of Units, as the context may require, calculated as below. The Net Asset Value for each Class as at the relevant Valuation Day shall be the market value of all the assets of each Class less the liabilities of that Class. NAV per unit shall be calculated as follows: $\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$ NAV of the scheme will be rounded off to 4 decimal places. Calculation of net asset value (“Net Asset Value”/ “NAV”) would be done by an independent third-party service provider such as fund administrator / custodian / valuer registered with Insolvency and Bankruptcy Board of India and/or such other person specified by IFSCA. The Scheme shall disclose the NAV, including both Long term post-Tax NAV and Short term post-Tax NAV. Such NAVs shall be disclosed to the Investors on a daily basis (i.e. on every Business Day). The information on NAVs of the Scheme/plans may be obtained by the Investors, on any day, by calling the office of the FME and will also be updated on the website of the FME i.e. https://gift.ppfas.com/. For more details, please refer to “SECTION V: DETERMINATION OF THE NET ASSET VALUE OF THE UNITS” of this Offer Document.
34.	CUSTODIAN	Kotak Mahindra Bank Limited will act as the Custodian for the Scheme. The Custodian shall be responsible for safekeeping of securities of the Scheme.
35.	STATEMENT OF ACCOUNTS OR UNIT CERTIFICATE	Allotment confirmation specifying the number of Units allotted shall be sent to the Investors at their registered e-mail address

		and/or mobile number by way of email and/or SMS within 5 (Five) Business Days from the <u>applicable Valuation Day</u> .
36.	AMENDMENTS AND WAIVERS	The FME may, from time to time, make any amendment to this Offer Document, including amendments to the investment strategy, process and restrictions, as it considers necessary or desirable, provided however, such amendment process will be specified by the FME in accordance with IFSCA FM Regulations. All laws and regulations applicable to Scheme’s activities, may, at any time be amended, modified, repealed or replaced in a manner adverse or favorable to the interests of the Investors. The FME shall carry out necessary amendments to any of the Trust Documents to conform to such modifications in Applicable Law.
37.	GRIEVANCE REDRESSAL	The FME shall examine and process the complaint in accordance with policies and procedures as specified under the Applicable Laws including circulars and guidelines issued by IFSCA from time to time. The FME shall designate Complaint Redressal Officer (“CRO”) and the Complaint Redressal Appellate Officer (“CRAO”) for handling of complaints and appeals respectively. For further details, Investors can refer to complaint redressal policy available at dedicated webpage of its group entity. The FME shall dispose of complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of complaint and/or such other timelines as may be prescribed by IFSCA from time to time. If the Investor is not satisfied with the resolution provided by FME and/or of the complaint has been rejected by FME, an appeal can be filed before the CRAO within 21 days from the receipt of the decision from the CRO. Where an Investor is not satisfied with the decision of FME and has exhausted the appellate mechanism of the FME, a complaint may be filed before IFSCA through email to grievance-redressal@ifsc.gov.in preferably within 21 days from the receipt of the decision from FME. Notwithstanding, anything stated above, any dispute unresolved by the above internal grievance redressal mechanism of the FME, may be submitted to arbitration and dealt with in the manner specified in the Application Form.

SUPPLEMENTARY INFORMATION

1.	AML/KYC	The FME shall seek all KYC documents and further details as may be required to comply with International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, read with Prevention of Money-laundering Act, 2002 and the Prevention of Money laundering (Maintenance of Records) Rules, 2005 (together referred to as “PML Norms”). Details of documents shall be specified in the Application Form.
2.	BANK MANDATE	The FME is committed to meet the AML/KYC requirements as applicable and prescribed by IFSCA from time to time. In this regard, the Scheme will accept payments only from the bank account of the investor (in case of joint Investors, the first holder of the Units as specified in the documentation submitted must be one of the joint holders s of the bank account) and no third-party payment will be permissible for investment in the Scheme. To ensure verification of the same, the FME may seek following details from the Investor and such other details and documentation as may be specified by the FME from time to time: • Original cancelled cheque having the First Holder Name printed on the cheque; or • Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application; or • Photocopy of the bank statement/bank passbook duly attested by the bank manager and bank seal preferably with designation and employee number; or • Confirmation by the bank manager with seal, on the bank’s letter head with name, designation and employee number confirming the investor details and bank mandate information. All attestations and certifications must not be older than 6 (six) months from the date of submission to FME.

3.	FATCA/CRS REPORTING	Investors will be required to comply with the request of the Scheme to furnish such information/ documentation/ declarations as and when deemed necessary by the FME in accordance with the Applicable Laws including any compliances under the Income Tax (11th Amendment) Rules, 2015 notified by the Central Board of Direct Taxes (“FATCA Implementation Rules”) and under section 285BA of the IT Act. If the Scheme and/or the FME is required by Applicable Laws, including the FATCA Implementation Rules, to provide information regarding the Scheme and/or the Investors to any regulatory authority and/or the Scheme Investments and/or income therefrom, and the Scheme and/or the FME complies with such request in good faith, whether or not it was in fact enforceable, they shall not be liable to the Investors or to any other party as a result of such compliance or in connection with such compliance. The provisions of the FATCA Implementation Rules are relevant not only at on-boarding stage of Investors but also throughout the life cycle of investment with the Scheme. Investors therefore should immediately intimate to the Scheme/the FME, any change in their status with respect to any FATCA Implementation Rules related information/ documentation/ declarations provided by them previously. In case the Investor fails to furnish the relevant information/ documentation/ declarations in accordance with the Applicable Laws, the Scheme reserves the right to redeem the Units held directly or beneficially, in accordance with the Offer Document and may also require reporting of such Investors and/or levy of Tax on payments / redemption proceeds made to the Investors and/or take any other action/s in accordance with Applicable Laws.
4.	WHO CANNOT INVEST?	It should be noted that the following entities cannot invest in the Scheme: • Residents or Citizens of Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs) • United States Person (U.S. Person), corporations and other entities organized as per applicable laws of the USA and resident of Canada as defined under the applicable laws of Canada. • Residents of the country whose securities market regulator is not a signatory to the International Organization of Securities Commission’s Multilateral Memorandum of Understanding (Appendix A Signatory). • Such other investors as may be determined and informed by the FME from time to time. The Scheme reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time,

		subject to IFSCA FM Regulations and other prevailing statutory regulations under Applicable Laws, if any. Subject to the IFSCA FM Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the FME. For example, the FME may reject any application for the purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or if the FME for any other reason does not believe that it would be in the best interest of the Scheme or its Investors to accept such an application. The FME may need to obtain from the investor, verification of identity or such other details relating to a subscription for Units as may be required under any Applicable Law, which may result in delay in processing the application.
5.	NOMINATION	Investors who are subscribing to Units of the Scheme, shall submit the nomination form as per the choice of the Investors. The requirement of nomination shall be optional for jointly held folio(s). The nomination can be made only by individuals applying for/holding Units on their own behalf singly or jointly. Non-individuals including a society, trust, body corporate, partnership firm, a power of attorney holder and/or Guardian of minor unitholder holder of power of attorney cannot nominate. The application is liable to be rejected if the aforesaid non individual sign the nomination form. Where nomination is not opted, a probated / registered will of the Deceased Investor and/or such other document as permitted under the respective jurisdiction shall be accepted as a valid document for transmission of Units. Any legal opinion/ advice from legal consultants / counsel to enable such transmission shall be borne by the legal heir / nominee to whom such Units are being transmitted.
6.	SHARING OF DETAILS	The FME, its service providers reserve the right to disclose the details of Investors and their transactions to third parties viz. banks, distributors, vendors, investment advisors etc. from whom applications of Investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with anti-money laundering requirements as may be prescribed under the Applicable Laws.

SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS

Details of entity appointed as valuer of the Scheme.

The assets of the Scheme shall be valued by an Independent Valuer (i.e. including a fund administrator and such other person as specified by the IFSCA for carrying out the valuation of Investments).

Frequency of valuation of Investments.

The NAV of the Scheme shall be calculated and disclosed to the Investors on a daily basis (i.e. on every Business Day).

For the purpose of determining the Net Asset Value:

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the board of directors of the FME (“**Board**”) shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall have deemed to be such value as the Board shall deem to be the reasonable value thereof;
- (ii) where a forward contract has been entered into for the sale or purchase of any currency the currency required to be delivered by the Scheme shall be included in the liabilities of the Scheme and there shall be included in the assets of the Scheme the value of the currency to be received;
- (iii) any value (whether of a security or cash) otherwise than in U.S. Dollars shall be converted into U.S. Dollars at the rate (whether official or otherwise) which the Board shall in their absolute discretion deem appropriate to the circumstances having regard, inter alias, to any premium or discount which they consider may be relevant and to costs of exchange;
- (iv) the following method will be adopted to value securities:

Equity and Equity related Securities

Category	Policy
<u>Traded</u>	Foreign security shall be valued based on the last quoted closing price available on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange, i.e. the stock exchange with the highest traded volume for the security in the past calendar quarter would be considered for valuation. When a security is not traded on stock exchange on the date of valuation, then the previous closing price will be used for valuation, provided such closing price is not exceeding a period of 30 calendar days. However, in case of an extraordinary event in other markets during the market hours or post the closure of the markets but before NAV computation, the FME shall value the security at suitable fair value as determined by the Board on a case-to-case basis. Further the Board reserves right to suitably modify the defined priority or valuation methodology by documenting rationale for exception to the above defined policy.
<u>Non Traded</u>	Where the security is not traded, on the date of valuation, on any of the exchanges the last quoted closing price on the selected / primary stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Securities not traded for more than thirty days shall be valued by FME at fair value after considering relevant factors on case-to-case basis.

<u>Unlisted</u>	In case of unlisted securities, the Company may appoint an independent valuer to carry out periodic valuations as per internationally acceptable methodologies. An unlisted equity share may be valued at a price other than the value derived using the aforesaid methodology at the discretion of the Board in consultation with the FME.
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Other Securities

<u>Category</u>	<u>Policy</u>
<u>Other Securities</u>	<u>Fixed Income Securities</u> Fixed Deposits will be valued at cost plus accruals. Fixed-income securities for which market quotations are available shall be valued using such security's closing market price. Other debt and money market securities shall be valued as per the price provided by approved independent third party price providers in the respective markets. <u>Units of Mutual Funds including Exchange Traded Funds</u> Mutual Fund Units (including ETF's) listed and traded on exchanges would be valued at the last quoted closing price on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation. Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units (including ETF's) would be valued at the NAV as on the valuation day. In case if on any valuation day the overseas mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation <u>Exchange Traded Derivative instruments</u> Exchange traded derivatives shall be valued at the price quoted on the Stock Exchange. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange. <u>Forward foreign exchange contracts</u> The value of forward foreign exchange contracts which are dealt in on a Recognized Market shall be calculated by reference to the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognized Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Board shall, in consultation with the FME, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected. Forward foreign exchange which are OTC derivative contracts may be valued by reference to freely available market quotations or at any price deemed to be fit by the Board.

On valuation date, all assets and liabilities denominated in currency other than base currency of the fund shall be converted into base currency of the fund at the applicable foreign exchange rate.

Calculation of NAV

Considering that the Scheme will be primarily investing in Investee Funds, the FME will rely on the NAV disclosed by the Investee Funds to arrive at the NAV of the Scheme with necessary adjustments of the expenses, taxes and fees of the Scheme. The NAV of the Investee Funds shall be in currencies

other than USD, the applicable conversion rate shall also be used as per the Scheme's valuation policy to value the assets in USD.

The Scheme will disclose two post-tax NAVs to Investors in accordance with the Applicable Laws, as follows:

- **“Long term post-Tax NAV”:** This NAV will be computed assuming that the investment in underlying Investee Funds will be held for long-term, i.e., for a period of more than 24 months. Thus, tax rate of 12.5% (plus applicable surcharge and cess) would be used for computing Tax on unrealized capital gains in case of Long term post-Tax NAV. Tax Rate is subject to amendment in applicable tax laws from time to time.

“Short term post-Tax NAV”: This NAV will be computed assuming that the investment in underlying Investee Funds will be held for short-term, i.e., for a period of less than 24 months. Thus, tax rate of 30% (plus applicable surcharge and cess) would be used for computing Tax on unrealized capital gains in case of Short term post-Tax NAV. Tax Rate is subject to amendment in applicable tax laws from time to time.

The subscription to the Units of the Scheme after the expiry of the Initial Offer Period, including the purchase of Units and Additional Subscription will be at the Long term post-Tax NAV, while the redemption of Units of the Scheme (including compulsory redemption, transfer, transmission and switch) will be either at Long term post-Tax NAV or Short term post-Tax NAV, depending upon the period of holding of the Units of the Scheme by the Investors.

The following rules would apply in this regard:

- **Investors redeeming up to 24 months from the date of subscription of Units:** NAV on redemption will be Short term post-Tax NAV.
- **Investors redeeming post expiry of 24 months from the date of subscription of Units:** NAV on redemption will be Long term post-Tax NAV.

SECTION VI: CONFLICTS OF INTEREST

The Scheme will be subject to certain conflicts of interest that may arise in relation to the various activities carried out by the FME, its affiliates/group entities, directors, employees, shareholders and agents (collectively, the “**Interested Parties**”). Conflicts of interest may arise in relation to the various activities carried out by the Interested Parties *vis-à-vis* the activities of the Scheme. The FME has adopted certain policies and procedures intended to protect the interest of Investors in the Scheme against any adverse consequences arising from potential conflicts of interest. The protection of the Investors’ interests is the FME’s foremost priority. A conflict of interest situation may adversely affect the interest of the Investors, and an Investor may lose its investments due to such conflict of interest. The Investor acknowledges the existence of the risk arising out of a conflict of interest.

The Interested Parties shall exercise a standard of good faith in their dealings with the Scheme and any of its investments. The FME will be transparent and will make disclosures with respect to conflicts of interest situations that the FME determines may have arisen (or which seem likely to arise) with respect to any of the Interested Parties *vis-à-vis* the Scheme and the Investors (and/or any of the investments).

The FME maintains and operates effective organizational and administrative arrangements with the view of taking all reasonable steps to identify, continuously monitor and manage conflicts of interest. Some of the potential conflicts of interest situations and the policies of the FME for managing conflicts of interest are provided below. It is not intended to provide a comprehensive list of conflicts of interest or account of the processes and procedures which the FME adopts in connection with the management of conflicts of interest but is instead intended to be a statement of principles with which the FME seeks to manage foreseeable conflicts of interest.

All potential sources of conflicts of interests that the FME envisages during the operations of the Scheme, which includes conflicts arising at following levels:

- **At the level of employee of the management entity**

The employees of the FME will only devote so much of their time to the Scheme’s operations as is, in their judgment, reasonably required. The employees of the FME that provide services to the Scheme will have, in addition to their responsibilities towards the Scheme, responsibilities towards other funds, companies, projects and clients. Accordingly, they may have conflicts of interest in allocating management time and other resources amongst the Scheme and such other projects and clients. The employees of the FME may provide services to other entities/clients in the financial services space and will not work exclusively for the Scheme. The employees shall resolve any such conflict by allocating time (reasonably required in their best judgement) towards their obligations in respect of the Scheme and their other responsibilities towards other funds, companies, projects and clients.

- **At the level of service providers of the Scheme**

The attorneys, accountants, professionals and other service providers who offer services to the Scheme may, and in some cases do, also offer services to the Interested Parties.

- **At the level of the FME**

There cannot be any assurance that an investment opportunity that comes to the attention of the FME will be referred or otherwise made available to the Scheme. Investment opportunities identified by the FME may be suitable for the Scheme as well as other funds or investment vehicles managed or advised by the FME and/or an Interested Party and/or their respective affiliates. There could be multiple portfolios under the management of the FME or by partners who are Interested Parties of other entities of the group of the FME, thereby representing possibility of conflict of interest in allocating investment opportunities amongst the various portfolios. The FME will endeavour to resolve any such conflicts in

a reasonable manner taking into account such factors as it may consider relevant including investment strategy and objectives, investment policy, sector focus, deal size, regulatory and tax considerations, etc. However, there can be no assurance that the Scheme shall be allocated any particular investment opportunities that are identified by the FME. Furthermore, the FME shall have the right, at its discretion, to allocate any investment opportunities to other funds.

- **At the level of the Investor**

The Investors of the Scheme, apart from investing in the Scheme, may also invest in the investments where the Scheme has also invested, at differential terms than that of the Scheme. Such investment of the Investors may conflict with the investment of the Scheme.

- **At the level of members of various governance bodies**

The members of the key investment team and the directors of the FME, in addition to their responsibilities for the Scheme, will have responsibilities for other funds, projects and clients. Accordingly, allocating management time and other resources among the Scheme and such other funds, projects and clients can be a challenge.

- **At the level of the FME group entity, in relation to various schemes managed by FME**

Inter-se different activities:

The FME and their affiliates may be involved in a variety of advisory, management and investment-related activities including management of other funds and intend to do so in the future. The Scheme shall not have any rights in or to any cash receipts or profits of the FME and any of their affiliates. The FME, and any of their affiliate/group entities may, from time to time, act as Fund Management Entities or advisers to other entities, companies or funds other than the Scheme. It is therefore possible that the FME and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

Transactions with Interested Parties:

An Interested Party may receive certain fees for services performed for or on behalf of the Scheme or any other entity or any other person in which the Scheme or any other entity holds Investments, including, without limitation, fees relating to broking activity and other products and services provided, directly or indirectly, to the Scheme or any other entity or any other person in which the Scheme or any other entity holds Investments.

Investments in which Interested Parties have interests:

The Scheme, through its investments in the Investee Funds, may participate in investee entities in which Interested Parties have an existing investment or other interests, which may be on the same terms as the Investee Fund's investment or on different terms. In such cases, there could be a potential conflict between the interests of the Scheme and those of the Interested Parties. Any of the Interested Parties may deal in the securities/products (including handling assignment /advising-managing any portfolio/scheme consisting of such securities/products etc.) which are/may in future be a part of the Investment. The timing/pricing/buy-sell decision under the dealing by such Interested Parties can be different from that of the Scheme.

Market transactions involving Interested Parties:

The proprietary activities/trading or portfolio strategies of the Interested Parties, or the activities or strategies used for accounts managed by the Interested Parties or other customer accounts, could

conflict with the transactions and strategies employed in managing the Scheme and affect the prices and availability of the securities and instruments in which the Scheme may invest. Such transactions, particularly in respect of proprietary accounts/trades or customer accounts, will be executed independently of the Scheme's transactions, and thus at prices or rates that may be more or less favourable. Issuers in whose assets or instruments the Scheme has an interest may have publicly or privately traded instruments in which an Interested Party is a shareholder. An Interested Party's trading activities will be carried out generally without reference to positions held by the Scheme and may have an effect on the value of the positions so held or may result in the Interested Party having an interest in the issuer adverse to that of the Scheme. The results of the Scheme's investment activities may differ significantly from the results achieved by an Interested Party for its proprietary accounts or accounts managed by them.

Some of the measures the FME will adopt to manage the identified conflicts are set out below. The FME will take reasonable care that, in relation to each identified conflict, it acts independently to avoid material risk to the Investors' interests.

- a) In managing the aforesaid conflicted transactions, the FME will have regard to its obligations under the Trust Documents pertaining to the Scheme and will act in the best interests of the Investors in the Scheme.
- b) The FME will be transparent with respect to conflicts of interest that the FME determines may have arisen in any transaction (or prospective transaction) between the Interested Parties and the Scheme.
- c) The FME will make efforts to see that any transaction involving a potential conflict of interest will be effected on terms that are not less favourable to the Investors in the Scheme than if the potential conflict had not existed. The FME will place significant emphasis on its strong compliance culture, and the efficient operation of systems and controls, to manage issues such as conflicts of interest.
- d) The FME will ensure that the interest of all the Investors is paramount and all personal interests, relationships or arrangements, including those of its affiliated companies/entities do not work against the Investors' interest.
- e) The FME will take appropriate measures intended to assure that it will not unfairly profit from any transaction between its affiliates/group companies/entities and the Scheme, and all such transactions shall strictly be done on an arm's length basis. The FME will use reasonable efforts to apportion or allocate business opportunities among persons or entities to or with which they have fiduciary duties and other relationships on a basis that is as fair and equitable as possible to each of such persons or entities, including the Scheme.
- f) The Interested Parties and their management personnel will devote so much of their time to the Scheme as is, in their judgment, reasonably required.

For further details, please refer to “**SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS**”.

By making an investment in the Scheme, prospective investors are deemed to have acknowledged the existence of the potential and/or actual conflicts of interest set forth above, and to have waived, to the greatest extent permissible under any Applicable Law, any claim with respect to, or arising from, the existence of any such conflicts.

SECTION VII: RISK FACTORS

AN INVESTMENT IN THE UNITS OF THE SCHEME INVOLVES CERTAIN CONSIDERATIONS AND ISSUES THAT MAY HAVE A BEARING ON SUCH INVESTMENTS. ACCORDINGLY, BEFORE DECIDING TO INVEST IN THE SCHEME, PROSPECTIVE INVESTORS SHOULD CAREFULLY STUDY THE SPECIFIC RISKS DESCRIBED BELOW TOGETHER WITH ALL THE INFORMATION CONTAINED IN THIS OFFER DOCUMENT, AND SEEK INDEPENDENT LEGAL, INVESTMENT AND TAX ADVICE. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE FME, OR THAT IT CURRENTLY DEEMS IMMATERIAL MAY ALSO HAVE AN ADVERSE IMPACT ON THE SCHEME'S PROSPECTS AND ACTIVITIES UNDERTAKEN BY THE SCHEME. THERE CAN BE NO ASSURANCE THAT THE SCHEME'S INVESTMENT OBJECTIVE WILL BE ACHIEVED, OR THAT AN INVESTOR WILL RECEIVE A RETURN ON ITS CAPITAL, OR THAT AN INVESTOR WILL NOT LOSE ALL OF HIS INVESTMENT IN THE SCHEME. THE FOLLOWING RISK FACTORS PRIMARILY DESCRIBE THE RISKS ASSOCIATED WITH INVESTMENTS MADE BY THE SCHEME. THE INVESTORS MAY REFER TO THE MATERIAL DOCUMENTS OF INVESTEE FUNDS FOR THE DETAILED RISK FACTORS THAT ARE APPLICABLE TO THE INVESTMENT BEING MADE BY THE INVESTEE FUNDS.

A. RISKS RELATED TO PORTFOLIO INVESTMENTS IN PARTICULAR

Nature of investments:

Investments in Investee Funds

The Scheme may invest in ETFs, which are investment vehicles that seek to replicate the performance of a specific index, commodity, or a basket of assets. While ETFs offer diversification and liquidity, such investments are subject to various risks including but not limited to market risk, tracking error, liquidity risk, and counterparty risk.

ETFs may not perfectly replicate the performance of the underlying index or assets due to factors such as fees, rebalancing policies, and market conditions. Additionally, the trading price of an ETF on the exchange may differ from its net asset value, leading to potential premiums or discounts. The Scheme's exposure to an ETF will also be subject to the risks associated with the underlying investments of that ETF. There can be no assurance that the investment objective of any ETF will be achieved or that it will perform in line with market expectations.

The Scheme may invest in UCITS, which are regulated investment funds established under the laws of the European Union. While UCITS funds are subject to regulatory standards on risk diversification, liquidity, and investor protection, investments in UCITS funds are nonetheless subject to a number of risks. These include market risk, liquidity risk, foreign exchange risk, and regulatory risk. The performance of a UCITS fund may deviate from its stated investment objective due to various factors, including fees, tracking error (if the UCITS is index-linked), or portfolio management decisions. Moreover, UCITS funds are domiciled in jurisdictions outside India and are governed by the laws and regulations of their home jurisdiction, which may differ materially from Indian laws and may limit the Scheme's ability to effectively monitor, enforce rights, or seek redress.

Further, investments in UCITS funds may expose the Scheme to operational risks, delays in redemption processing, and counterparty risk if the UCITS fund uses derivatives or engages in securities lending. There can be no assurance that the UCITS funds will achieve their investment objectives or generate positive returns.

Passive investment risk

The Investee Funds may not be actively managed and may be affected by a general decline in market segments related to its benchmark indices. The Investee Funds invest in securities included in, or

representative of its benchmark indices, and the Investee Funds do not attempt to take defensive positions under any market conditions, including declining markets.

Achievement of investment objective

There can be no assurance that the Investee Funds will achieve their investment objectives. The value of Investments and the income therefrom may rise or fall as the capital value of the securities in which the Investee Funds invests may fluctuate. Therefore, Investee Funds' investment may be expected to fluctuate in response to changes in income or expenses.

Regulatory Risk

Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. As a result of such registrations, the Investee Funds may be subject, without any notice to the investors in the Investee Funds concerned (including the Scheme), to more restrictive regulatory regimes. In such cases the Investee Funds will abide by these more restrictive requirements.

Geographic Risk

If the Investee Funds focus their investments in issuers located in a particular country or geographic region, it may be subjected, to a greater extent than if its investments were less focused, to the risks of volatile economic cycles and/or conditions and developments that may be particular to that country or region, such as: adverse securities markets; adverse exchange rates; adverse social, political, regulatory, economic, business, environmental or other developments; or natural disasters.

Currency risk

The assets in which the Investee Funds is invested and the income from the assets will or may be quoted in currencies which are different from the Scheme's base currency. The performance of the Scheme will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the Scheme's base currency and hence there can be the prospect of additional loss or the prospect of additional gain to the investors greater than the usual risks of investment. The performance of the Scheme may also be affected by changes in exchange control regulations.

Investors should note that the Scheme's base currency is different from the currency of their home jurisdiction. In particular, Investors whose home currency is the Indian Rupee/INR will be exposed to currency exchange rate fluctuations between the Scheme's base currency and INR. Any depreciation in the value of the Scheme's base currency relative to the INR may adversely impact the effective returns to be realised by such Investors, irrespective of the underlying performance of the Scheme's assets. Accordingly, currency risk may result in reduced or negative returns upon redemption, and Investors are urged to consider the potential impact of foreign exchange volatility in light of their individual circumstances and consult with their financial and tax advisors prior to investing in the Scheme.

Market Liquidity Risk

The liquidity of the Investee Funds may be restricted by trading volumes and settlement periods across various jurisdictions where the Investee Fund/s are listed / traded. Different jurisdictions have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. Delays and/or other problems in settlement of transactions could result in temporary periods when the investments comprising the Investee Funds are uninvested and no return is earned thereon. The inability of the FME to make intended purchase due to settlement problems could cause the FME to miss certain investment opportunities.

Volatility Risk

The Investee Funds' investment programs may involve the purchase and sale of derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of their underlying securities. Fluctuations or prolonged changes in the volatility of the underlying securities, therefore, can adversely affect the value of derivative positions held by the Investee Funds, and correspondingly the Scheme.

Concentration of investments

The FME expects that at times the Scheme's portfolio may be somewhat concentrated when it comes to the number of Investee Funds. While the Investee Funds themselves would be well diversified in terms of exposure to global equity markets, but the Scheme may invest into a few Investee Funds. Hence, the return of the Scheme may be significantly determined by the performance of the Investee Funds.

Reliance on information provided

The FME may elect to invest in Investee Funds on the basis of information and data directly available to the FME. Although the FME evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the FME is not in a position to confirm the completeness, genuineness or accuracy of such information and data.

Improper conduct by Investee Funds

Although the FME intends to employ reasonable diligence in evaluating Investee Funds, no amount of diligence can eliminate the possibility that one or more issuers of such portfolio securities may engage in improper or fraudulent conduct, including improper accounting practices and valuations of assets.

Portfolio risk

The Scheme, through the Investee Funds, will have investments spread across industries, sectors and styles of investments. Poor performance by even a few of these investments could lead to adverse effects on the Scheme's overall returns. The Scheme 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.

Investment selection

Prospective investors will not have an opportunity to review the underlying investee companies or the terms of the Scheme's investments in the Investee Funds prior to investing in the Scheme. The likelihood that Investors will realise any gain on their investment depends on the skills and expertise of the FME, the managers of the Investee Funds and their respective investment teams who will make the decisions on behalf of the Scheme and Investee Funds.

Performance risk of investee companies

The investment performance of the Scheme will depend upon the performance of the Investee Funds, which will depend upon the performance of the underlying investee companies. There can be no assurance that the investee companies will achieve profitable operations. The performance of the investee companies and the value of the Investee Funds' interest in the investee companies may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions throughout the world; (ii) changes and advances in technology that may, among other things, render goods and services sold by the investee companies obsolete; and (iii) actual and potential competition from other companies and countries. Certain investee companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Indirect investment in listed securities

The Scheme, through its investment in Investee Funds may make investments in listed securities. The fluctuation in the market price of listed securities of the portfolio companies is likely to have a direct bearing on the value of the Scheme's investment.

A substantial portion of the Investee Funds may be invested in equity or equity-related investments which, by their nature, involve commercial, financial, market and/or legal risks. While such investments offer the opportunity for significant capital appreciation, they also involve a very high degree of risk that can result in substantial losses. There can be no assurance that the FME will correctly evaluate the nature and magnitude of the various factors that could affect the value of such Investments. Prices and market movements of the Investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Scheme's activities and the value of the Investments. As a result, the Scheme's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Risk in relation to the investment money not being guaranteed returns

None of the Scheme, the Trustee or the FME or their respective affiliates, employees, directors, partners, managers, officers, and / or agents can provide assurance that the Scheme will be able to generate returns for the Investors or that the returns will be commensurate with the risk of investing in the Scheme or the underlying investee entities and the transactions described herein. There can be no assurance that the Scheme's investment objectives will be achieved or that there will be any return of capital or guaranteed returns. Therefore, an Investor should invest in the Scheme only if it can withstand a total loss of the investment in the Units.

Limited opportunities

The Scheme while pending may retain the same in cash or may invest in short-term or medium-term money market instruments or in fixed deposits or any such equivalent instruments. Such investments may substantially reduce the Scheme's overall return.

Indirect investment in equity shares

The Investee Funds may invest in equity shares of investee companies. Equity shares of a company entitle the holder to a pro rata share of profits of the company, if any, without preference over any other shareholder or class of shareholders, including holders of that company's preference shares, or other senior equity. Equity shares usually carry with them the right to vote and frequently an exclusive right to do so. Equity shares do not represent an obligation of the issuer, and do not offer the degree of protection of debt securities. The issuance of debt securities or preference shares by an issuer will create prior claims which could adversely affect the rights of holders of equity shares with respect to the assets of the issuer upon liquidation or bankruptcy. The market price for convertible bonds, which are typically bonds offering a stated interest rate that are convertible into equity shares at a specified price or conversion ratio, will tend to fluctuate in relationship to the price of the equity shares into which they are convertible.

Investments in new issues

The Investee Funds may purchase securities in an initial public offering of an equity security. If the Investee Fund places market orders during an initial public offering, it risks receiving an execution substantially away from the market or offering price. This risk may be significantly reduced if a limit order is utilized. However, it is possible that a limit order will not be executed. In determining if and for how long it should hold new issue securities, the Investee Fund must gauge whether other investors are likely to buy this stock on the secondary market and how long the attraction for the stock is likely to last as well as other factors. The market for these stocks is untested. Because the offering is on a

first-time basis, there is generally no market information about the stock to help determine its value or its outlook.

Tracking errors and tracking difference risk

Tracking error is defined as the standard deviation of the difference between the daily returns of the underlying index and NAV of the Scheme, this may happen due to certain factors such as the fees and expenses of the Scheme, corporate actions, cash balance, changes to the underlying index, regulatory restrictions and lack of liquidity. Hence it may affect the Scheme's ability to achieve close correlation with the underlying index of the Scheme. The Scheme's returns may therefore deviate from its underlying index. The FME would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize the tracking error to the maximum extent possible.

Risks associated with convertible instruments

The Investee Funds may make investments in fully, partially or optionally convertible securities that may be converted into or exchanged for a specified amount of equity instruments of the same or a different issuer within a particular period of time at a specified price or formula. Such convertible securities entitle its holder to receive interest that is generally paid or accrued on debt until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than equity, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying equity due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying equity increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying equity). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying equity. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying equity approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying equity while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the investee company issuing it, at a price set out in the investment documents. If a convertible security held by the Investee Fund is called for redemption, the Scheme will be required to permit the investee company to redeem the security, convert it into the underlying equity or sell it to a third party. Any of these actions could have an adverse effect on the Scheme's ability to achieve its investment objective.

Availability and ability to acquire suitable investments

While the FME believes that many attractive investments of the type in which the Investee Funds may invest can be identified, there can be no assurance that such investments will be available when the Investee Fund commences investment operations, or that available investments will meet the Investee Fund's investment criteria. Furthermore, the Scheme and the Investee Funds may be unable to find a sufficient number of attractive investment opportunities to meet its investment objective.

Net Asset Value considerations

The NAV per Unit is expected to fluctuate over time with the performance of the applicable Investments. An Investor may not fully recover his initial capital/investment when he chooses to partially/completely exit from its Units if the NAV per Unit at the time of such exit is less than the subscription price paid by such Investor.

Indebtedness of the scheme

The Scheme may incur indebtedness subject to the Applicable Laws. Certain restrictions shall apply to incurrence of indebtedness by the Scheme. The Scheme may also use the Scheme's assets, respectively, to secure any permitted indebtedness. To that extent the rights of lenders making loans to the Scheme will be senior to those of the investors, and the terms of any borrowings may contain provisions that limit distributions to the investors or certain other activities of the Scheme. Hence, the possibility exists of a partial or total loss of the Scheme's capital.

Illiquidity of investments due to corporate actions

The gains/income of the Scheme is largely dependent upon the liquidity of the investments made by the Investee Funds. The Investee Funds may face potential risks on account of the illiquidity of any of its investments, which may arise from time to time, on account of various statutory or regulatory restrictions or restrictions pursuant to corporate actions undertaken by the investee companies which may include restrictions on transferability of the securities of such investee companies pursuant to applicable law. Any such restrictions on the disposition of the investee companies may disrupt the gains to and have an adverse effect on the net asset value of the Investee Funds investments and in turn, the NAV of the Scheme. Such restrictions may also reduce the liquidity of the Scheme, and may cause a delay or suspension in redemptions.

Investment Expenses

The investment expenses (e.g., expenses related to the investment and custody of the Investee Funds' assets, such as brokerage commissions, custodial fees and other trading and investment charges and fees) as well as other Investee Funds fees (e.g., investment management fee and operating expenses) may, in the aggregate, constitute a high percentage relative to other investment entities. The Scheme will bear these costs regardless of its profitability as per the limits defined in the Offer Document.

Investment selection

Prospective Investors will not have an opportunity to review the underlying investee companies or the terms of the Investee Fund's investments in such underlying investee companies. The likelihood that Investors will realise any gain on their investment depends on the skills and expertise of the FME and their respective investment teams who will make the decisions on behalf of the Scheme. The FME of the Scheme has a set investment framework with multiple criteria for selecting investments along with a risk management framework. The FME of the Scheme will undertake to ensure that the investments selected are aligned with the Scheme's risk and return objectives.

Exit strategy

The feasibility and terms of any proposed exit strategy for the Scheme in respect of its investments will depend in part on factors that are not within the control of the Scheme, at the time of the proposed disposition and the effect of applicable legislation and political and economic conditions. Consequently, the precise timing of the disposition of an investment and the manner of disposition are impossible to predict, and no assurance can be given that such disposition will be achieved on terms favourable to the Scheme.

Performance risk of investee companies

The investment performance of the Scheme will depend upon the performance of the underlying investee companies in which the Investee Fund invests in. There can be no assurance that these investee

companies will achieve profitable operations. The performance of the investee companies and the value of the Scheme's interest in the investee companies may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions throughout India and the world; (ii) changes and advances in technology that may, among other things, render goods and services sold by the investee companies obsolete; and (iii) actual and potential competition from other companies and countries. Certain investee companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all.

Portfolio diversification risk

The Scheme will make investments in accordance with **SECTION III: INVESTMENT OBJECTIVES, STRATEGY AND PROCESS** and may not have a high degree of diversification in its investments by geographic region or asset type. Poor performance by even a few of these investments could lead to adverse effects on the returns received by the Investors. The Scheme 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 due to default of the issuer.

Minority stake

The Investee Funds may be a minority investor in investee companies and as such may be unable to protect its interests effectively. Opposition of management or existing investors of investee companies, especially in the absence of an effective legal framework to protect minority shareholder's rights, could jeopardise the Investee Fund's strategy of acquiring small initial investments with a view to acquiring more significant stakes in the future. Further, over a period of time, an investee company may raise additional capital and in the event the Investee Fund does not participate in these follow-on rounds of funding, it may result in dilution of the stake held by the Investee Fund in that investee company.

Forward-looking and other statements

This Offer Document contains forward-looking statements and other statements concerning prior performance of FME and / or existing funds which information has neither been audited nor reviewed by accountants and is merely a good faith estimate. These statements reflect the FME's views with respect to future events and past performance. Actual results could differ materially from those contained in these statements as a result of factors beyond the Scheme's control. Investors are cautioned not to place undue reliance on such statements.

Asset class risk

The equity market and the prices of various stocks may fluctuate widely based on a variety of factors including global, India specific macro-economic conditions, and stock specific factors. Because the Scheme's performance is linked to the performance of equities which can be volatile at times, investors should consider purchasing units of the Scheme only as part of an overall diversified portfolio and should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme.

Risk of news announcements

News announcements may impact the price of equities. These announcements may occur during trading and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the stock/equity. The Scheme's investments may be adversely affected by such news announcements.

Risk of rumours

Although the FME of the Scheme is expected to be wary and will not act based on rumours, rumours about the price of a stock at times float in the market through word of mouth, newspaper, websites or news agencies, etc. Such rumours may have an adverse impact on the Scheme's investments.

No assurance of returns

The Investors are not being offered assured returns or redemption, and there will be no recourse to the Trustee or the FME. Accordingly, the ability of the Scheme to pay returns on or redeem the Units will depend on the realisations from investments. The funds available for distributions on the Units, as well as upon termination/liquidation of the Scheme, will be limited to the balance of the Investments after meeting all liabilities and obligations.

System/network congestion in relation to trading of listed securities

Trading on the exchange is in electronic mode, based on satellite/ leased line communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond the control of and may result in delay in processing or not processing buy or sell orders either in part or in full. Investors are cautioned to note that although these problems may be temporary in nature, when there are outstanding open positions or unexecuted orders, these represent a risk because of the Scheme's obligations to settle all executed transactions. The Scheme could be subject to significant losses if it holds a large outstanding open position and defaults in settling the same.

Risk associated with unspecified investments

Other than as specifically set out elsewhere in this Offer Document, the investments that will be made by the Scheme, have not yet been identified. The activity of identifying, completing and realising attractive investments is highly competitive and involves a high degree of uncertainty. Because the investments have not been identified, potential investors (i) do not know what investments will be made, (ii) cannot assess the manner in which the team of the Scheme determines that the Scheme's investments will meet the Scheme's investment objectives, and therefore, (iii) cannot assess whether the investments will yield a positive return to the Scheme. As a result, investors face risks and uncertainties with respect to the selection of investments and will be relying on the ability of the team of the FME of the Scheme to find and close suitable future investments using the proceeds of this offering. No assurance can be given that the Scheme will be successful in obtaining suitable investments. The making of investments requires extensive due diligence activities and may require regulatory approvals prior to acquisition. When exercising its discretionary investment management powers, the team of the FME of the Scheme is reliant on information and data made available to it and/or its service providers. Although the team of the FME of the Scheme may evaluate such information and data and seek independent corroboration when appropriate and available, it is not in a position to confirm the completeness, genuineness or accuracy of such information and data. Such level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

Even if the investments of the Scheme are consummated and successful, they may not produce a realised return to the investors, for a number of years. Accordingly, an investment in the Scheme should only be considered by persons who do not require current income and can afford a loss of their entire investment.

Risks of investments in foreign securities

Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in geo-political dealings between nations. Investments in foreign securities will also occasion risks relating to political and economic developments abroad,

including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Scheme assets and any effects of foreign social, economic or political instability. In addition, changes or modifications in existing judicial decisions or in the current positions of the tax authorities of foreign countries, either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavourable treatment of certain overseas investments which could adversely impact the Scheme's returns.

Accounting standards; Due diligence

Generally accepted accounting standards and practices in other countries where the Scheme may make overseas investments in accordance with the IFSCA FM Regulations, may differ significantly from those practiced in other countries, which may affect the Scheme's evaluation of potential investments and ability to perform due diligence. The financial information appearing on the financial statements of a company may not reflect its financial position or the results of its operations in the way that they would be reflected if the financial statements had been prepared in accordance with generally accepted accounting principles in other jurisdictions.

In addition, the scope and nature of the Scheme's due diligence activities in connection with its investments will be more limited than due diligence reviews conducted in more developed economies because, among the other factors listed in this paragraph (a) certain information is unavailable or prohibitively costly to obtain and/or (b) the information that is available is generally less reliable and less detailed than financial information that is typically available to investors in western countries. While the FME of the Scheme is expected to conduct due diligence in connection with each asset purchase, no assurance can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

Risks of natural disasters and invocation of force majeure

A natural disaster or any other force majeure event may also impact the operations of the Scheme's investments. The nature and level of natural disasters and/or force majeure event cannot be predicted and may be exacerbated by global climate change. A portion of the Scheme's investments may rely on items assembled or produced in areas susceptible to natural disasters and/or force majeure event and may sell finished goods into markets susceptible to natural disasters and/or force majeure event. A major disaster, such as an earthquake, tsunami, flood or other catastrophic event including other force majeure events could result in disruption to the business and operations of the Scheme's investments. Such losses may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. If a major uninsured loss occurs, the Scheme could lose both its investments and anticipated gains from such affected investments in any investee entities.

Cyber Security Risk

As part of their business, the Scheme, FME, process, store and transmit large amounts of electronic information, including information relating to the transactions of the Scheme, and personally identifiable information of the Investors. Similarly, service providers of the FME, may process, store and transmit such information. With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Scheme, and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks.

The FME has procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such procedures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems

that could unexpectedly compromise information security. Network connected services provided by third parties to the FME may be susceptible to compromise, leading to a breach of the FME's or the Scheme's systems. The FME's or the Scheme's systems or facilities may be susceptible to employee error or Malfeasance, surveillance or other security threats. On-line services provided by the FME or the Scheme, or any of their service providers, to the Investors may also be susceptible to compromise. Breach of the FME's or the Scheme's information systems may cause information relating to the transactions of the Scheme and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

If the Scheme / its FME/ a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Scheme and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

Cyber-attacks may interfere with the processing of investor transactions, impact the Scheme's ability to value its assets, cause the release of personally identifiable information of Investors or confidential information of the Scheme or impede or interrupt trading. Further, the loss of, improper access to, or improper disclosure of, the FME's or the Scheme's proprietary information may cause the FME or the Scheme to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention, fines, penalties, financial losses, reimbursement or other compensation costs, additional compliance costs or reputational damage. The Scheme could also incur substantial costs for cybersecurity risk management in order to prevent any cyber-attacks in the future. Any of the foregoing events could have a material adverse effect on the Scheme and the Investors' investments therein.

Environmental Risk

The operations of underlying investee companies in which the Investee Fund invests may be subject to numerous statutes, rules and regulations relating to environment protection. There is the possibility of existing or future environmental contamination, including soil, seawater and groundwater contamination, as a result of the spillage of hazardous materials or other bio-medical waste that may result from the normal operations of the investee companies, and such events may have an adverse financial impact on the value of investee companies, the Scheme.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. Indian courts have implemented the "Polluters Pay" principle in the field of environment law, whereby the person, company or industry responsible for the pollution, through the use or disposal of hazardous or toxic substance, either on, under or in a property, would be liable to restore the degradation of the property and the surrounding environment and compensate any victims thereby.

Any liability of investee companies resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investments.

B. RISKS RELATED TO SCHEME STRUCTURE

Diverse investor group

The investors of the Scheme are likely to be a diverse group that may have conflicting investment, tax and other interests with respect to their investments in the Scheme. The conflicting interests of

individual investors may relate to or arise from, among other things, the nature of investments made by the Scheme, the structuring or the acquisition of investments and the timing of disposition of investments by the Scheme. As a consequence, conflicts of interest may arise in connection with decisions made by the FME of the Scheme, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, in particular with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Scheme, its FME will consider the investment and tax objectives of the Scheme and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Lack of separate representation

The legal counsel to the Scheme does not represent the Investors, and no legal counsel will be retained on behalf of the Investors. There may exist other matters which would have a bearing on the Scheme and/or the Trustee or any of its affiliates upon which the legal counsel to the Scheme has not been consulted. The legal counsel to the Scheme does not undertake to monitor compliance of the Scheme or the Trustee or the FME with the terms set out herein, nor does it monitor compliance with Applicable Laws including the IFSCA FM Regulations. Additionally, the legal counsel to the Scheme relies upon information furnished to it by the FME and does not investigate or verify the accuracy or completeness of information set out herein concerning the Scheme, the Trustee or the FME.

The FME shall ensure compliance by the Scheme with the IFSCA FM Regulations and that Applicable Laws in respect of the operations of the Scheme are adequately complied with, and the statements furnished by the FME with respect to the Scheme are accurate and regularly updated.

Liability for return of distributions

In the event that the Scheme is otherwise unable to meet its obligations, the Investors may, under Applicable Law, be required to return distributions previously received by them including any wrongful payment to them.

While the nature of obligations that may be undertaken by the Scheme is contingent on a host of factors beyond the reasonable control of the FME, the FME shall endeavour to effectively plan such obligations of the Scheme to minimise any adverse impact on the Scheme's returns.

Reliance on service providers/intermediaries

The Scheme may either directly or through their respective trustees or FME, may engage a variety of service providers, including but not limited to those in the areas of legal, tax, accounting, banking, regulatory etc. In the event any such persons have any adverse development which affects the performance of their duties, or they breach any of the terms of their engagement, the Scheme may be posed with a risk which may be significant. Further, there can be no assurance that reliance on such service providers for their services (including opinions on specific matters) would be in the best interests of the Scheme and its Investment Objective.

In order to mitigate this risk, the Scheme or the Trustee or the FME, as the case may be, would endeavour to engage appropriate service providers for the concerned service, based on internal review and monitoring mechanisms. It is hereby clarified that the outsourcing of non-core business activities by the FME to third parties shall be in accordance with Applicable Laws.

Reliance on the FME

There can be no assurance that the Scheme will be able to implement its respective investment strategy and investment approach or achieve its investment objective or targeted returns or that an Investor will receive a return on its capital.

The judgments of the expected performance of the FME of the Scheme cannot be extrapolated from the past performance of the key managerial personnel of investment team. There can be no assurance

given that the FME of the Scheme will be able to identify and evaluate all the risks associated with a proposed investment.

The success of the Scheme, will depend upon the ability of the FME to source, select, complete and realise appropriate investments. With specific reference to the Scheme, the FME will have considerable latitude in its choice of assets to invest in and the structuring of investments, subject to the investment parameters set forth in the Trust Documents.

Dependence on key personnel

The Scheme will be largely dependent upon the experience and judgment of its FME and its investment team for selection of suitable investments. The loss of one or more of the key members could have a material adverse effect on the returns of the Scheme. The key managerial personnel is not under any contractual obligation to remain with the FME of the Scheme for all or any portion of the term of the Scheme. The key managerial personnel will commit suitable amount of its business efforts as may be necessary to the Scheme, though it is not required to devote all of its time to the affairs of the Scheme. The time commitment of such key managerial personnel shall be allocated between the Scheme and other funds and advisory, consultancy and management activities conducted by them, as described earlier. The inability of the FME of the Scheme to attract and retain the required talent pool may also adversely affect the performance of the Scheme.

Thus, in making an investment decision, each Investor must consider that personnel associated with the FME of the Scheme may leave or may be terminated at any time, with or without cause, thus potentially adversely affecting the business activities of the Scheme.

Indemnification

The Trust Documents provide for indemnification of the indemnified persons for any and all actions, claims, damages, settlement payments, losses and liabilities, suits or proceedings, whether civil, criminal, administrative or investigative in the manner set forth in the Trust Documents.

Indemnification of the FME and its shareholders, directors, etc. as well as other parties, may impair the financial condition of the Scheme and its ability to acquire assets or otherwise achieve its investment objective or meet its obligations.

As mentioned above, in the cases of indemnification obligations arising on behalf of the Scheme, the FME shall ensure that all indemnification obligations are met in accordance with the Trust Documents and Applicable Laws in relation, thereto.

In the event the Scheme has indemnification obligations, the Scheme will not be obliged to make redemption proceeds to enable the Investors to pay their taxes as a result of such income or gain allocations (even if the Scheme has income or gains for tax purposes). In such event, the Investors will have to utilize other resources to satisfy tax liabilities and cannot resort to dividends declared by the Scheme to assist in satisfying such tax liabilities.

Disclosure of confidential information

The FME of the Scheme and/or certain investors may be required by law, regulation or otherwise to disclose certain confidential information relating to an investment or the Scheme. Such disclosure may affect the ability of the Scheme to realise or dispose of such investment or affect the price that the Scheme is able to obtain upon any disposition or may otherwise adversely affect the Scheme and/or investors in the Scheme.

To the extent that the FME determines that information that an investor would otherwise be entitled to receive could be disclosed by such investor as a result of such investor being subject to laws in the nature of freedom of information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies and

the disclosure of such information would not be in the best interests of the Scheme, the FME shall have the right not to provide such investor with certain information that such investor would otherwise be entitled to receive or have access to.

FME termination risk

Termination of the FME's appointment may occur pursuant to the terms of the Investment Management Agreement. Any termination of the FME's appointment as FME of the Scheme may have material adverse consequences for the Scheme in certain circumstances. Such consequences may include the acceleration of financing facilities made available to underlying investee companies or the triggering of a right for co-investors to acquire the Scheme's interest in a relevant investment where the terms of the relevant investment document provide for this.

Financial and tax situation risk

The results of the Scheme's activities may affect individual Investors differently, depending upon their individual financial and tax situations because, for instance, of the timing of a cash distribution or of an event of realisation of a gain or loss. The FME will endeavour to make decisions in the best interests of the Scheme as a whole, but there can be no assurance that a result will not be more advantageous to some Investors over others.

Limited recourse

The Investors shall have no recourse against the Settlor, the Trustee or the FME, as more particularly mentioned in the Indenture.

Recourse of the investors against the Settlor, the Trustee and / or the FME shall be subject to the Applicable Law.

Minimum corpus may be less than anticipated

There is a risk that the Scheme may obtain subscriptions totalling less, and potentially significantly less, than the minimum Corpus sought to be raised from investors. If the Corpus falls short of the minimum requirement as prescribed by the IFSCA FME Regulations from time to time, the Scheme may be forced to close down and return all money to the Investors.

C. REGULATORY RISK FACTORS

Legal considerations

Many of the fundamental laws in India and IFSC have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation and enforcement. This risk is additionally increased as adequate procedural safeguards have often not been developed. Due to the developing nature of the Indian legal and regulatory system, laws often refer to regulations which have not yet been introduced, leaving substantial gaps and the regulatory framework is often poorly drafted and incomprehensible. These uncertainties can lead to difficulties in obtaining or renewing necessary licenses or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Scheme. Changes in laws and regulations (including accounting standards) (or in the interpretation thereof) occurring from time to time in India are possible and may worsen the legal and tax constraints within which the Scheme will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and lead to increased legal costs and reduced returns. In particular, tax laws and regulations or their interpretation may change and there can be no assurance that the structure of the Scheme or its investments will be tax efficient. Further, India is subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purports to have retroactive effect, may be introduced with

little or no prior consultation. As such, the ability of the Scheme to secure the judicial or other enforcement of its rights may be limited.

The Scheme and FME will comply with all the relevant laws and regulations as and when they develop. The FME is also expected to monitor for any changes in law/regulations applicable to investee companies and assess its impact on its value. Accordingly, the portfolio will also be rebalanced.

Government approvals

Certain Indian governmental approvals, including approvals from IFSCA have been obtained for the Scheme to make investments. It is possible that such approvals may not continue in the future and though the FME of the Scheme expects the existing approvals to continue, the FME cannot be certain that these approvals will so continue. The Scheme will operate under Indian laws and securities regulations. If policy announcements or regulations are made subsequent to this offering, which warrant retrospective changes in the structure or operations of the Scheme, these may adversely impact the performance of the Scheme.

The Scheme and its FME are expected to ensure that they are in full compliance with and have all the necessary approvals required in accordance with Applicable Laws including by IFSCA (and any other regulator in charge), as and when any changes in policy or regulations are made.

Any investigations of, or actions against the Scheme, its trustee and the FME initiated by IFSCA, or any other regulatory authority may impose a ban of the investment activities of the Scheme or its trustee or the FME.

Enforcement risk

While Indian laws provide for specific performance of contractual obligations as well as claims for damages in the event of breach of contract, and property rights may be enforced through the Indian judicial system, laws regarding the rights of creditors and the obligations of purchasers or lessees of property are significantly less developed in India than in the other developed countries and may be less protective of rights and interests. It may be difficult to obtain swift and equitable enforcement of such laws or to obtain enforcement of a judgment in a local court.

Indian foreign exchange laws

Investments by Indian residents (individuals or entities) in the Scheme may be made under the Liberalised Remittance Scheme (LRS) prescribed by the Reserve Bank of India (RBI) or under the Overseas Portfolio Investment (OPI) route as permitted under the Foreign Exchange Management Act, 1999 and applicable rules, regulations, and directions issued thereunder.

Such investments are subject to evolving regulatory frameworks and restrictions, including eligibility criteria, sectoral limits, procedural conditions, reporting requirements, and caps on remittances/investments. Any change, clarification, suspension, or withdrawal of the LRS or OPI route by the RBI or other competent authority may adversely impact the ability of investors to make further investments in the Scheme, redeem their existing investments, or repatriate proceeds back to India.

Further, any non-compliance with the applicable foreign exchange control laws by the investors may expose them to regulatory action, penalties, or other consequences, which may also affect the Scheme's ability to accept or process such investments. The Scheme, FME, and its affiliates shall not be responsible for ensuring investor compliance with the applicable LRS or OPI guidelines.

Investors are advised to consult their own legal and regulatory advisors to determine their eligibility and compliance obligations before making any investment in the Scheme under the LRS or OPI route.

Risk mitigation measures for regulatory risks

While regulatory risks are beyond the control of the FME, the FME shall ensure that it attempts to the best of its abilities to ensure that the performance of the Scheme is as per the investment strategy and objectives of the Scheme, and will be proactive in adopting remedial measures in the face of regulatory risks to effectively mitigate the same, by either revising the investment strategy, deal flow, getting expert assistance, or legal assistance to realign investment aspirations and existing deals with the prevalent laws, regulations and tax provisions

D. GENERAL RISK FACTORS

Political, social and economic risks

The value of the Scheme's investments may be adversely affected by potential political and social uncertainties in India. Certain developments which are beyond the control of the FME of the Scheme, such as the possibility of nationalisation, expropriations, confiscatory taxation, political changes, government regulation, social instability, terrorist activities, diplomatic disputes or other similar developments, could adversely affect the Scheme's investments.

In addition, economy of various jurisdictions may differ favourably or unfavourably from other economies in several respects, including the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position.

The Scheme is not expected to obtain political risk insurance. Certain developments (such as the possibility of nationalisation, expropriations or taxation amounting to confiscation, political changes, Government regulation, social instability, diplomatic disputes or other similar developments), which are beyond the control of the Scheme and its FME, could adversely affect the Scheme's investments.

While the political and social risks are beyond the control of the FME of the Scheme, it is expected to ensure that the investments are planned based on an overall visibility of the tentative political and social risks that may arise, and for which there is adequate knowledge present in the public domain.

Investments in the United States

The Scheme may invest directly or indirectly in securities, funds, or other instruments domiciled in or linked to the United States. Such investments are subject to various risks, including economic, political, legal, and regulatory risks associated with the United States. These include, but are not limited to, risks arising from changes in interest rates, inflation, currency fluctuations, monetary and fiscal policy, and U.S. trade or foreign investment policies.

The U.S. market is subject to comprehensive regulatory oversight, primarily by the U.S. Securities and Exchange Commission (SEC), Commodity Futures Trading Commission (CFTC), and other federal and state-level regulatory bodies. The Scheme may be subject to additional compliance and disclosure obligations under U.S. securities laws, including potential restrictions on marketing, transferability, or resale of securities, especially if the Scheme or any of its underlying investments fall within the jurisdictional ambit of U.S. securities laws or are deemed to involve "U.S. Persons" under applicable regulations.

In particular, the Scheme may be required to ensure that it does not engage in any activity that could trigger a requirement to register under the U.S. Investment Company Act of 1940 or require registration of its securities under the U.S. Securities Act of 1933. Any inadvertent non-compliance could result in regulatory scrutiny, restrictions on fundraising or investment activities, and adverse reputational and financial consequences.

Additionally, U.S. laws such as the Foreign Account Tax Compliance Act (FATCA) and anti-money laundering rules may impose significant reporting, compliance, and withholding obligations on the Scheme or its investors. Changes in U.S. tax policy, sanctions, data protection laws, or cross-border investment restrictions may adversely affect the Scheme's ability to invest in or exit from U.S.-linked assets.

There can be no assurance that investments in the United States will result in positive returns for the Scheme. Investors are advised to consider the inherent risks and evolving regulatory landscape in the United States prior to making any investment.

Global financial market volatility and financial instability

The fluctuations and uncertainties in the financial markets in the U.S. and elsewhere around the world could adversely affect the returns of the Scheme. Recently, concerns over monetary tightening, currency risks, inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased volatility and diminished expectations for the U.S. and world economy and the financial markets going forward.

Although economic conditions are different in each country, investors' reactions to developments in one country may have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in financial markets. Financial disruptions may occur and could harm investee companies' business or their future financial performance, which will in turn affect the Scheme's investments and returns. It is not possible to predict how long current economic conditions will continue, whether the financial markets and economic conditions will continue to deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally.

While the global financial market volatility and financial instability are beyond the control of the FME of the Scheme, it is expected to ensure that the investments are planned based on an overall visibility of the tentative global financial market volatility and financial instability, that may arise, and for which there is adequate knowledge present in the public domain.

Risk of sanctions

Sanctions may be imposed by other countries on trade and this may have an adverse impact on the value of underlying investee companies in which the Scheme invests.

Monitoring (global events/foreign policy/macro news) relevant to invested companies will be incorporated into the Scheme's daily operations. The FME of the Scheme will evaluate any such event and take the appropriate action needed for maximising investor value and meeting the Scheme's objectives.

Enforcement of foreign awards in India

The Indian legal system has certain limitations in respect of enforcement of foreign awards in India (IFSC). Courts in India including GIFT City may not enforce a provision of securities laws of any jurisdiction that is either penal in nature or contrary to public policy. An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, is unlikely to be entertained by Indian courts. Specified remedies available under any jurisdiction, if they are considered to be contrary to Indian public policy, would not be available under Indian law or enforceable by Indian courts.

Further, foreign judgments rendered by a superior court in any country or territory outside of India may only be recognised in India if such territory has been notified and/or declared to be a reciprocating territory by the Government of India. The enforceability of such judgments is subject to certain exceptions under the Civil Procedure Code as regards its conclusiveness on any matter directly adjudicated upon.

If a judgment of a foreign court is not enforceable, a suit would have to be filed based on the judgment.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment

if in its view, the amount of damages awarded are excessive or inconsistent with public policy or practice in India. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to untimely delay.

Since, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available in India, enforcement by the Scheme of civil rights under the laws of a jurisdiction other than India may be adversely affected considering that they may have significant assets in India and the enforcement of the rights against such assets in India will be subject to the delays and other limitations of the Indian judicial system.

Segregation of assets

The Trustee has a fiduciary duty to ensure segregation of assets of any other funds which are held in trust or may be held so by it from the assets of the Scheme. While the liabilities shall be segregated on a Class-by-Class basis, it should be noted that the assets and liabilities of each Class within the Scheme are subject to apportionment of assets and liabilities between Classes and are not segregated from those of other Classes. However, it may be possible that in the case of a third-party suit or regulatory action against the Trustee with respect to the liability of any other such aforementioned Scheme or under any other circumstances, the Trustee may not be able to protect the assets of the Scheme against such third party suit or regulatory action and would not maintain segregation of assets of the Scheme.

E. CURRENCY RELATED RISKS

Impact of currency fluctuation from investments by the Scheme

The Scheme's assets will be ultimately invested in securities that are primarily quoted or denominated in USD. The value of the Scheme's assets and the liquidity of the Units may also be affected by developments relating to exchange control regulations. There can be no assurance that future restrictions on the ability to exchange USD to such other foreign currency, and to repatriate income and capital will not adversely affect the ability of the investee companies to repatriate their income and capital. Furthermore, in the past the exchange rates have been subject to significant fluctuations and there can be no assurance that they will be stable. The USD may experience volatility and may further depreciate. The manager of the Scheme may adopt suitable currency hedging strategies to mitigate the risk. While such hedging arrangements would impose additional cost upon the Scheme, they may not necessarily yield the desired benefit.

F. TAX RISKS

- *Tax risk associated with the Scheme*

There are certain aspects such as a characterization of income, status of the Scheme, etc., that could impact taxation of the Scheme.

- *Tax risk associated on exercise of redemption option*

In an event, if a redemption option is exercised by only certain specific Investors the following implication could arise.

The Scheme proposes to reduce tax component on unrealised gains and adjust the same from the NAV of the redeeming Investor. This could have an impact on the amount actually distributed to the contributor. Tax on unrealised income could be paid by the Scheme/ Trust, if required under the Applicable Laws.

- *Risk associated with the change in Tax laws*

The Tax laws and its interpretation relevant to the Scheme are subject to change, and Tax liabilities could be incurred by Investors as a result of such changes. The Tax consequences of an investment in the Scheme are complex. Further, the information relating to the Indian taxation legislation contained in the Offer Document is based on Indian domestic taxation law along with rules and regulations made thereunder and the judicial and administrative interpretations thereof, which are subject to the change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein.

Accordingly, Investors in the Scheme are subject to a number of risks related to Tax matters and are strongly urged to consult their independent tax advisors with specific reference to their own situations.

Please refer to the “**Taxation of the Scheme**” under “**SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS**” of the Offer Document for key tax risks associated to the Scheme and its investors.

G. RISK MITIGATION STRATEGIES

Risk Type and Description	Risk mitigants / management strategies
<u>Tracking error:</u> The performance of the Scheme may not be commensurate with the performance of the benchmark index on any given day or over any given period, referred to as tracking error.	The FME would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. The FME will endeavor to maintain low cash levels to minimize tracking error.
<u>Liquidity risk:</u> The liquidity of the Scheme's investments is inherently restricted by the trading volumes in the securities in which the Scheme invests as per the underlying index.	As such the Scheme would look to invest in ETFs or UCITs which has relatively large corpus vis-à-vis the size of the fund and have had good liquidity in the past. The Scheme will try to ensure that the average daily trading volumes of the Investee Funds are significantly higher than the average redemptions anticipated, thus reducing liquidity risk as well as impact cost on transactions.
<u>Market risk:</u> The Scheme is vulnerable to movements in the prices of securities invested by the Scheme, which could have a material bearing on the overall returns of the Scheme	Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its underlying index.

SECTION VIII: RISK PROFILING FOR VARIOUS INSTRUMENTS

Instruments	Definition	Risk Profile
Equity ETFs	Equity funds which are listed on recognized stock exchange for purchase and sell.	High
UCITs	UCITS may invest in a broad range of transferable securities, including equities, bonds, money market instruments, and certain types of derivatives, subject to defined risk limits.	High

Other Securities

Instruments	Definition	Risk Profile
Fixed deposit	A fixed deposit (FD) is a tenured deposit account provided by banks or non-bank financial institutions which provides investors a fixed rate of interest for given maturity period.	Low
Money market securities	Money market securities includes commercial papers, commercial bills, call or notice money, certificate of deposit, usance bills, and any other like instruments having maturity up to 1 year.	Low to Medium
Government securities and treasury bills	Government securities and Treasury bills are debt instruments used by the government to borrow money from the public to meet their fiscal requirements.	Low
Certificate of Deposits	Certificate of Deposit (CD) is a negotiable money market instrument issued against funds deposited at a bank or other eligible financial institution for a specified time period.	Low to Medium
Cash & Cash Equivalent	Cash and Cash Equivalents will include following securities having residual maturity of less than 91 Days: 1. TREPS, 2. Treasury Bills, 3. Government securities, and 4. Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time.	Low

The above is only an intended allocation to the securities. The FME may invest beyond the range and securities set out in the indicative asset allocation table in the best interest of the Investors.

SECTION IX: LEGAL, REGULATORY AND TAX CONSIDERATIONS

THIS SECTION IS ONLY A SUMMARY OF THE APPLICABLE LAWS WITH REGARDS TO THE SCHEME AND IS NOT A COMPREHENSIVE DISCLOSURE REGARDING ALL LAWS AND REGULATIONS APPLICABLE TO THE SCHEME AND THE INVESTEE FUNDS, THE SCHEME AND ITS INVESTEE FUNDS. IN ADDITION TO THE LAWS PROVIDED IN THIS SECTION, INVESTMENTS BY THE SCHEME, INVESTEE FUNDS MAY ALSO BE GOVERNED BY VARIOUS OTHER LAWS AND REGULATIONS IN OTHER JURISDICTIONS, WHICH MAY GIVE RISE TO ADDITIONAL APPROVAL REQUIREMENTS, COMPLIANCES, DISCLOSURES ETC. WHICH WILL HAVE TO BE COMPLIED WITH BY THE SCHEME AND/OR THE INVESTEE FUNDS. FOR A MORE DETAILED LIST OF THE SAME, INVESTORS ARE ADVISED TO REFER TO THE SCHEME DOCUMENTS OF THE INVESTEE FUNDS.

PLEASE NOTE THAT THE SUMMARY OF THE REGULATORY CONSIDERATIONS IN THIS SECTION IS BASED ON THE CURRENT PROVISIONS OF THE LAWS OF INDIA AND THE REGULATIONS THEREUNDER, AND THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, IN EACH CASE AS ON AUGUST 2025, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT REGULATORY IMPLICATIONS AND SUCH CHANGES WILL BE WITHOUT ANY NOTICE OR OPPORTUNITY OF BEING HEARD AND CAN BE EFFECTIVE ANY TIME.

ALL PROSPECTIVE INVESTORS ARE REQUESTED TO READ THE LEGAL AND REGULATORY CONCERNS MENTIONED BELOW.

THE INDIAN TRUSTS ACT, 1882

The Scheme /Trust has been set up as a contributory determinate trust under the Indian Trusts Act, 1882. The Trustee will be subject to the powers, duties and obligations as prescribed under the Indenture.

SPECIAL ECONOMIC ZONE ACT, 2005

The Special Economic Zone Act, 2005 (“SEZ Act”) was notified on June 23, 2005, wherein as per Section 2(q) of the SEZ Act ‘International Financial Services Centre’ (IFSC) is defined to mean an international financial services centre as approved by central government under Section 18(1) of the SEZ Act. Subsequently, in exercise of the powers conferred under Section 18(1) of the SEZ Act, the Central Government has approved IFSC in GIFT SEZ, Gandhinagar, Gujarat. Pursuant to Section 18(2) of the SEZ Act, the Central Government vide notification dated April 08, 2015, notified that the units in an IFSC may be set up and approved in accordance with the SEZ Rules, 2006 (as amended from time to time) (“SEZ Rules”) along with guidelines or regulations framed and notified in this regard by the domestic regulators, viz. RBI, SEBI and IRDAI. As per Section 2(zc) of the SEZ Act, the term “Unit” means a Unit set up by an entrepreneur in a Special Economic Zone and includes an existing Unit, an offshore banking unit and a unit in an IFSC whether established before or established after the commencement of SEZ Act. The Unit that shall be set-up in SEZ shall be in accordance with Section 15 of the SEZ Act read with SEZ Rules.

IFSCA (FUND MANAGEMENT) REGULATIONS 2025

1) Brief overview of IFSC (Fund Management) Regulations, 2025

The International Financial Services Centre Authority has framed IFSCA (Fund Management) Regulations, 2025 to provide comprehensive framework for various activities related to fund management. The IFSCA FM Regulations requires the fund management entities to be registered with IFSCA based on the activities to be carried out by such fund management entities in IFSC. Further,

the IFSCA FM Regulations provides for conditionalities for launch of schemes viz. venture capital funds, retail schemes, restricted schemes for non-retail investors, managing of special situation funds, investment trusts, family office funds and launch of products like PMS, render advisory services.

2) Registration of fund management entities

Regulation 2(1)(n) defines fund management entity as an entity registered with IFSCA as a fund management entity under any of the categories specified in the IFSCA FM Regulations. The IFSCA FM Regulations have categorized fund management entities into three categories viz., Authorised FME, Registered FME (Non-Retail), and Registered FME (Retail) depending upon the category of investors whose funds are sought to be managed, type of product or fund (asset class) and the amount of AUM sought to be managed.

FME is registered as Registered FME (Retail)

Presently, the FME is registered as Registered FME (Retail). Thus, it is permitted to pool money from all investors or a section of the investors under one or more schemes for investing in, financial products including securities and such other permitted asset classes through retail schemes. Further, it can act as investment manager for public offer of Investment Trusts (REITs and InvITs). The FME will also be able to launch Exchange Traded Funds (ETFs) and shall also be able to undertake all activities as permitted to Authorised FMEs and Registered FMEs (Non-retail).

Net worth requirements

An entity seeking registration as an FME (Retail) shall at all times comply with the net worth requirements as specified in Second Schedule (USD 1,000,000) of these regulations or such other amount as may be specified by the Authority.

IFSCA vide its circular dated February 16, 2024, clarified that in case the net worth of any FME falls below the specified net worth, such FME shall not– (i) launch new schemes in IFSC and (ii) onboard new clients towards any of the activities or undertake new business activities permitted under the Fund Management Regulations; till the time the net-worth is restored.

Track Record

The FME applicant should have a sound track record and general reputation of fairness and integrity in all its.

In case of Registered FME (retail),

- i. The FME, its holding company, or their subsidiaries, shall have at least five (5) years of experience in collectively managing Assets under Management (AUM) of at least USD 200 million with more than twenty-five thousand (25,000) investors; or
- ii. Person(s) in control of the FME holding at least twenty-five per cent. (25%) shareholding in the FME be carrying on activities related to fund management, including portfolio management, wealth management, distribution of financial products, and investment advisory, for a period not less than five (5) years, collectively for at least one thousand (1,000) investors on assets of at least USD 50 million, and such FME has a net worth of at least USD 2 Million or such other amount as may be specified: Provided that the Authority may specify any other criteria for determining sound track record to facilitate new generation fintech companies with innovative ideas that may lead to further market development;

Fit and proper requirements:

The applicant and its principal officer, directors/ partners/ designated partners, key managerial

personnel and controlling shareholders shall be fit and proper persons, at all times.

Infrastructure Requirements:

- a) The fund management entity has the necessary infrastructure like adequate office space, equipment, communication facilities and manpower to effectively discharge its activities under these regulations and circulars issued thereunder. The infrastructure requirements should be commensurate to the size of its operations in IFSC.
- b) The office should be dedicated, secured and accessible only by authorised person(s) of the FME.

3) General obligations and responsibilities of an FME

- a) A fund management entity, fiduciaries, Key managerial personnel (including principal officer, fund managers and designated compliance officer) are under an obligation to abide by the code of conduct under the IFSCA FM Regulations;
- b) A FME intending to launch retail schemes shall take prior approval of the Authority for appointing any person as a fiduciary.
- c) A fund management entity is under an obligation to keep and maintain proper books of account, records and documents, for each scheme for a period of 5 (five) years after winding-up of the Scheme;
- d) A fund management entity shall accurately and timely provide information to IFSCA with respect to such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by IFSCA from time to time;
- e) A fund management entity shall have a sound risk management system for comprehensively managing all risks;
- f) A fund management entity in IFSC shall seek prior approval of IFSCA in case of any direct or indirect change in control of the fund management entity.
- g) The fund management entity shall ensure that advertisements issued by FME, if any, shall be in conformity with the Advertisement Code as specified in the IFSCA FM Regulations;
- h) A fund management entity shall pay the fees pertaining to annual fees, scheme filing fee, or any other fees as may be prescribed by IFSCA from time to time;
- i) The fund management entity shall ensure suitable disclosure in the offer document / placement memorandum regarding the maximum fees and expenses that it may charge;
- j) The fund management entity shall prepare in respect of each financial year an annual report of accounts of the schemes and abridged summary thereof and shall be submitted to the IFSCA not later than four months from the end of financial year.

Additional obligations and responsibilities on a registered fund management entity are as follows:

- 1) Business continuity plan: A registered fund management entity shall maintain a business continuity plan identifying procedures relating to an emergency or significant business disruption. The business continuity plan shall be updated in the event of material change to operations, structure, business, or location of the fund management entity. Further, the fund management entity shall review its business continuity plan on an annual basis.
- 2) Cyber security: A registered fund management entity shall have robust cyber security and cyber resilience framework in accordance with the requirements as may be specified by IFSCA from

time to time.

- 3) A fund management entity managing AUM above USD 3 Billion as at the close of a financial year (or any other threshold of AUM as may be specified by IFSCA), shall:
- (1) establish policy on governance around material sustainability-related risks and opportunities;
 - (2) disclose in its annual report how the fund management entity identifies, assesses and manages material sustainability-related risks;
 - (3) establish and disclose in its annual report the process of factoring sustainability-related risks and opportunities into fund manager's investment strategies and processes, including data and methodologies used; and
 - (4) comply with any other sustainability related requirements as may be specified by IFSCA.
- (5) A fund management entity that launches a scheme related to ESG, shall make full disclosure regarding investment objective, investment policy, strategy, material risk, benchmark, etc., in the manner as may be specified by IFSCA. All scheme documents filed by FME with IFSCA shall disclose whether sustainability related risks are incorporated in the decision making. The fund management entity shall provide details when sustainability related risks are incorporated in the decision making. A negative statement shall be included when sustainability related risks are not incorporated in the decision making.

4) Retail Scheme

The Scheme is launched by the Registered FME as a Retail Scheme. Regulation 2(1)(ff) of the IFSCA FM Regulations, defines "Retail Scheme" as a scheme offered to all investors or a section of the investors for subscription with no ceiling as to number of investors in the scheme.

Fund Structure: The Scheme is a Retail Scheme constituted in IFSC as a scheme of a trust under the Applicable Laws of India. The Scheme is launched as an open-ended scheme with no definite tenure and shall terminate in accordance with the terms of the Offer Document.

Investment Strategy: A Retail Scheme may be launched by a registered fund management entity (Retail) for various investment strategies for various investment strategies subject to such terms and conditions as may be specified by the IFSCA.

Minimum number of Investors

- 1) Retail schemes shall have at least twenty (20) investors with no single investor investing more than twenty five percent (25%) in a scheme and shall ensure with the requirement within a maximum period of six (6) months from the closure of the offer.

Investments conditions and restrictions

- 1) Subject to other provisions of the IFSCA FM Regulations, a Retail Scheme may invest only in the following instruments or entities in IFSC, India or foreign jurisdictions:
 - a) Securities listed or to be listed or traded on stock exchanges;
 - b) Unlisted securities;
 - c) Money market instruments;

- d) Debt securities;
 - e) Securitised debt instruments, which are either asset backed or mortgage-backed securities;
 - f) Units of other investment schemes subject to appropriate disclosure in the offer documents;
 - g) Derivatives including commodity derivatives only for the purpose of hedging subject to suitable disclosures in the offer document;
 - h) Such other securities or financial products/assets or instruments as specified by IFSCA.
- 2) Pending deployment of money, FME may invest money in certificates of deposit, units of investment schemes such as overnight, liquid or money market schemes, money market instruments, bank deposits or any other securities or financial assets or instruments as may be specified by IFSCA.
 - 3) Any investment made in the securities mentioned in (1) above, shall be in accordance with the investment objective of the relevant scheme and disclosures in the offer document.
 - 4) In the case of an open-ended schemes, the maximum investment in unlisted securities should not exceed fifteen percent (15%) of the total AUM of the schemes. Provided that this restriction shall not be applicable in case of investment in unlisted securities issued by an investment fund which is open-ended in nature, regulated by the concerned regulatory authority in its home jurisdiction, and is permitted for offering to retail investors in its home jurisdiction.
 - 5) Retail schemes shall not invest more than ten percent (10%) of their AUM in securities of a single company. The retail scheme may invest up to fifteen percent (15%) in a single company with prior approval of the fiduciaries. The limit on investment in a single company in case of sectoral or thematic or Index schemes shall be the weightage of that company in the representative index, provided by an independent entity, that such scheme intends to benchmark with, or 15%, whichever is higher. Provided that fund of funds schemes shall be permitted to invest in other scheme(s) if such scheme(s) meets the requirement under this regulation.
 - 6) Retail schemes shall not invest more than twenty five percent (25%) of their AUM in a single sector. In the case of financial services sector, the amount shall not exceed fifty percent (50%) of the AUM of the scheme. The limits on sectoral caps shall not apply in the case of a sectoral or thematic or an Index Scheme. Provided that in case of a fund of funds scheme, the limit on sectoral cap shall not be applicable if such scheme is investing in other scheme(s) which does not have investment in a single sector in excess of 25% of their AUM, or 50% of their AUM in case of financial services sector or when such scheme(s) are sectoral or thematic or index scheme(s).
 - 7) Retail schemes shall not invest more than twenty-five percent (25%) of the AUM in its associate. Provided that this restriction shall not be applicable in case of fund of funds schemes which have made disclosure in the offer document regarding the details of the underlying scheme(s) wherein the investments are intended to be made and the nature of association, if any, that the FME has with the manager(s) of the underlying scheme(s).
 - 8) The minimum size of the retail schemes shall be USD 3 Million. Provided that an open-ended scheme may commence its investment activities upon receiving at least USD 1 Million from investors and it shall receive at least USD 3 Million from investors within 12 months from the

date of communication from the IFSCA, that the offer document has been taken on record: Provided further that if a FME fails to achieve the minimum investment within the specified time, it shall have a one-time option to extend the validity of the offer document for a further period of 6 months by paying 50 per cent. (50%) of the fee as applicable for filing of a fresh scheme.

Contribution by the fund management entity in Retail Scheme

Under a Retail Scheme, the fund management entity or its associate shall invest at least one percent (1%) of the AUM of the retail scheme or USD 200,000, whichever is lower. However, the contribution by the FME or its associate shall not be mandatory in case of relocated funds /schemes established or incorporated or registered outside India to IFSC. The contribution by the FME or its associate shall not be mandatory in case of a fund of funds scheme investing in scheme(s) which has similar requirements.

The said investment of the fund management entity or its associate entity will be made within 45 (forty-five) days and be maintained on an ongoing basis. The period of 45 (forty-five) days may be extended subject to the satisfaction of IFSCA. The said contribution if brought in by FME may be taken into consideration for the purpose of net-worth requirements as detailed under the IFSCA FM Regulations.

Disclosures to investors

- 1) The offer document for retail schemes shall clearly include all disclosures which are material for investors to make a decision regarding investing in such schemes and shall include disclosures regarding the investment objective, the targeted investors, proposed size, investment style or strategy, investment methodology, proposed tenure of the scheme fees and expenses, risk management practices, KMPs of the fund management entity and other relevant details of the FME and the scheme. The fund management entity and the fiduciaries shall comply with the disclosure requirements in the offer document as may be specified by IFSCA.
- 2) Any material deviation or alteration to the fund strategy should be made with the consent of at least two-thirds of investors by value.
- 3) The FME shall ensure that the NAV is disclosed to the investors on a daily basis in case of an open ended scheme and on a weekly basis in case of a close ended scheme.
- 4) The fund management entity shall ensure that the portfolio under the scheme is disclosed to the investors at least on a quarterly basis within one (1) month from the end of the quarter.
- 5) Any other material disclosure considered suitable by the fund management entity, or the fiduciaries shall be informed to the investors immediately.
- 6) The fund management entity shall provide investors information about their holding in the schemes at the end of every month and within ten working days in case of receipt of such a request from an investor.
- 7) The fiduciaries shall be bound to make such disclosures to the investors as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.

Borrowing and Leverage

A retail scheme shall not borrow except to meet temporary liquidity needs for the purpose of redemption and in that case, it shall not borrow more than twenty percent (20%) of the AUM of the scheme and the duration of such a borrowing shall not exceed six (6) months subject to FME guidelines in place from time to time.

Valuation and computation of NAV

- 1) Valuation: The fund management entity and fiduciaries shall ensure compliance of investment valuation norms as specified in the sixth schedule of the IFSCA FM Regulations. In line with the investment valuation norms, the assets of the scheme shall be valued by an independent service provider, such as a fund administrator, a custodian or a credit rating agency, registered with the IFSCA, or a valuer registered with Insolvency and Bankruptcy Board of India, or such other person as may be specified by IFSCA. Provided that the above requirement shall not apply in case of a fund of funds scheme that invest in scheme(s), regulated by a financial sector regulator, directly or through a manager, in IFSC or India or foreign jurisdiction(s), which are valued by any independent entity.
- 2) NAV Computation: The fund management entity shall ensure the NAV of each open-ended Retail Scheme is computed on a daily basis and in case of a close ended retail scheme the computation of NAV shall take place on a weekly basis. The procedure and methodology for calculating the NAV should be fully documented, and such documentation should be regularly verified and amended, if required.

Other terms and conditions

- a) Merger, demerger and restructuring of the scheme(s) shall be in accordance with the conditions as may be specified by the IFSCA and with the prior approval by the IFSCA;
- b) Appointment of Custodian: The fund management entity shall appoint an independent custodian to carry out the custodial services for a Retail Scheme.
 - i. The custodian appointed under this IFSCA FM Regulation shall be based in IFSC, unless the local laws of the jurisdiction where the securities have been issued mandate appointment of a custodian in that jurisdiction, in which case, the FME may appoint a custodian based in that jurisdiction regulated by the financial sector regulator in that jurisdiction for such securities and make necessary arrangement to provide such information to IFSCA whenever directed to do so.
 - ii. In case of schemes which are required to appoint custodian in IFSC in terms of the abovementioned provision, if any agreement has been entered into with a custodian which is not based in IFSC as on the date of notification of these regulations, such schemes shall be required to appoint custodian in IFSC within twelve (12) months from the date of notification of these IFSCA FM Regulation. Further, as per the IFSCA circular dated May 24, 2025 (F. No. IFSCA-IF-10PR/7/2024-Capital Markets), an additional time period of six (6) months from the date of the issuance of the aforementioned circular is granted for the appointment of an independent custodian based in IFSC, if required, in terms of IFSCA FM Regulation for the schemes which are:
 1. taken on record by IFSCA after the IFSCA FM Regulations, came into effect (i.e., February 19, 2025), or
 2. taken on record by the IFSCA prior to the IFSCA FM Regulations, 2025 coming into effect but which did not enter into an agreement with a custodian as on February 19, 2025.
- c) Appointment of Investment Committee: The fund management entity may, at its discretion, constitute an Investment Committee to make investment decisions for the schemes. The members of such Investment Committee shall be subject to all responsibilities and obligations generally applicable to the fund management entity and fund managers under

the IFSCA FM Regulations.

- d) Listing of close ended scheme: The FMEs may list its close ended schemes on recognised stock exchanges. Provided that a close-ended retail scheme in which the minimum amount of investment by an investor is less than USD 10,000 shall be mandatorily listed on at least one of the recognised stock exchanges.
- e) The FME shall not undertake any business activities other than as specified under these regulations without prior approval of the IFSCA.
- f) Disclosure of the valuation policy and procedures (with regard to valuation of each category of securities/financial product/assets where the scheme will invest, situation where these methods will be used, process and methodology and impact of implementation of these methods, if any) shall be made in offer document and on the website of the FME to ensure transparency of valuation norms to be adopted by FME.

Winding up of the Scheme:

- 1) A scheme may be wound up:-
 - a) When the tenure of the scheme as mentioned in the placement memorandum / offer document is over;
 - b) If seventy five percent (75%) of the investors, by value of their investment in the scheme, pass a resolution at a meeting of investors that the scheme be wound up.
- 2) IFSCA in the interest of investors and for orderly development of the financial market may direct a fund management entity to:-
 - a) wind up a scheme subject to such conditions as deemed appropriate;
 - b) merge certain schemes; or
 - c) manage schemes of other fund management entities.

Annual Report and Auditor Report

(i) Scheme Annual Report:

- 1. The fund management entity shall prepare in respect of each financial year an annual report of accounts of the scheme and abridged summary thereof and shall be submitted to IFSCA not later than four months from the end of the financial year.
- 2. The Annual Report and abridged summary shall contain details that are necessary for the purpose of providing a true and fair view of the operations of the scheme.
- 3. An abridged summary of the Annual Report shall be shared with investors within four months of the end of the financial year. Provided that if an investor seeks the full annual report, fund management entity shall provide the same within fifteen (15) days from the date of the receipt of the request.

(ii) Auditor's report:

- 1. Every scheme launched by a fund management entity shall have the annual statement of accounts audited by an auditor who is not in any way associated with the fund management entity.

2. An auditor shall be appointed by the fiduciaries.
3. The auditor shall forward his report to the fiduciaries and such report shall form part of the Annual Report of the schemes.

(iii) Reporting norms for the FME

Every FME registered under the IFSCA shall submit information to the IFSCA on a quarterly basis in the format prescribed under the Applicable Laws and the IFSCA FM Regulations.

Grievance Redressal

IFSCA as per its circular no. F. No. IFSCA-LPRA/3/2024-Legal and Regulatory Affairs dated December 02, 2024 stated that the FME shall have a policy in place for handling of complains and grievance redressal, which is duly approved by its board of directors. This policy on complaint handling and grievance redressal shall be prominently disclosed on the website of the FME or on a dedicated webpage of its group entity, under the heading “Complaint Handling and Grievance Redressal”. The name and contact details of the Complaint Redressal Officer (“**CRO**”) and the Complaint Redressal Appellate Officer (“**CRAO**”) shall also be prominently displayed under this policy.

The CRO of the FME shall make an assessment on the merits of the complaints by the Investor and shall acknowledge acceptance of complaints in writing within 3 working days of receipt of complaint or reject the complaints within 5 working days along with reasons for the same.

The FME shall dispose of complaint preferably within 15 days but ordinarily not later than 30 days of acceptance of complaint. The FME may either resolve the complaint or reject the complaint along with reasons for the rejection.

If the Investor is not satisfied with the resolution, an appeal may be filed before CRAO within 21 days from the receipt of decision from the CRO. The CRAO shall dispose the appeal within a period of 30 days.

ANTI-MONEY LAUNDERING LEGISLATION

International Financial Services Centres Authority (Anti Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 (“**AML/KYC Guidelines**”) have been notified by IFSCA which shall apply to every regulated entity which is licensed, recognized, authorized or registered by IFSCA (“**Regulated Entity**”).

Risk-Based Approach: The AML/KYC Guidelines mandate a Regulated Entity to adopt Risk-Based Approach to identify and assess the Money Laundering (ML) and Terrorist Financing (TF) risk to which the Regulated Entity is exposed, depending upon its nature of business and exposure with certain types of clients and countries. The results of the risk assessment shall be used to classify the ML/TF risks as low, medium and high, which shall be reviewed by the Regulated Entity periodically as specified.

Policies and procedures: A Regulated Entity shall put in place adequate policies, procedures, systems, compliance framework and controls to mitigate such ML/TF risks. The Regulated Entity shall also appoint a principal officer to oversee and monitor the compliance with AML/KYC Guidelines.

Assessing customer AML risks: The risk assessment shall be completed prior to undertaking Customer Due Diligence (CDD) for new customers, and also where the Regulated Entity otherwise feels necessary, for existing customers. The CDD procedure shall be followed as provided in the AML/KYC Guidelines.

Ongoing sanctions screening: A Regulated Entity shall review its customers and their transactions against United Nations Security Council (UNSC) sanctions lists and also against any other relevant sanctions list as part of ongoing due diligence. The Regulated Entities shall ensure that in terms of Section 51A of the Unlawful Activities (Prevention) Act, 1967 (UAPA) and amendments thereto, they do not have any account in the name of individuals/entities appearing in the lists of individuals and entities, suspected of having terrorist links, which are approved by and periodically circulated by the UNSC.

Record Keeping: Regulated Entity shall maintain the specified records including documents pertaining to CDD, suspicious transaction reports etc. as specified in the AML/KYC Guidelines.

Process of identification of Suspicious Transactions and Reporting: A Regulated Entity shall establish policies, systems and controls in order to monitor and detect suspicious transactions with respect to potential ML/TF and shall furnish to the Director, Financial Intelligence Unit-India (FIU-IND), the required information referred to in the Prevention of Money laundering (Maintenance of Records) Rules, 2005.

WEAPONS OF MASS DESTRUCTION AND THEIR DELIVERY SYSTEMS (PROHIBITION OF UNLAWFUL ACTIVITIES) ACT, 2005

Ministry of Finance has issued an order dated September 01, 2023, detailing the procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 (“**WMD Act**”). The WMD Act seeks to prohibit unlawful manufacture, transport, or transfer of WMD (chemical, biological and nuclear weapons) and their means of delivery. Under the amendments of 2022, the scope of the WMD Act has been enhanced to include the financing of such banned activity. The order is applicable to the IFSCA and all regulated entities in IFSC (“Regulated Entity”).

The Regulated Entity shall –

- i) verify the details of entities/individuals who are party to the financial transactions, if the details match with the designated list (available on the portal of FIU-India) the Regulated Entity shall not carry out such transaction and shall immediately inform the transaction details with full particulars of the funds, financial assets or economic resources involved to the CNO by email, FAX and by post, without delay.
- ii) run a check, on the given parameters, at the time of establishing a relation with an investor and on a periodic basis to verify whether individuals and entities in the designated list are holding any funds, financial assets or economic resources or related services, in the form of bank accounts, stocks, insurance policies, etc. In case, the particulars of any of their investors match with the particulars of designated list, the Regulated Entity shall immediately inform full particulars of the funds, financial assets or economic resources or related services held in the form of bank accounts, stocks or insurance policies, etc. held on their books to the Central Nodal Officer by email, FAX and by post, without delay.
- iii) Regulated Entity shall send a copy of the communication mentioned in (i) and (ii) above to the State Nodal Officer, where the account/ transaction is held and to the IFSCA, as the case may be, without delay.
- iv) if there are reasons to believe beyond doubt that the funds or assets held by an investor would fall under the purview of clause (a) or (b) of sub-section (2) of Section 12A of the WMD Act, the Regulated Entity shall prevent such investor from conducting such financial transactions, under the intimation to the Central Nodal Office by email, FAX and by post, without delay.

Further, the Regulated Entity are also required to maintain and update the designated list, without delay whenever there are changes made to it by the Ministry of External Affairs.

FOREIGN EXCHANGE CONTROL REGULATIONS

Foreign investment in India is regulated under the Foreign Exchange Management Act, 1999 (“**FEMA**”). The Reserve Bank of India (“**RBI**”) and the Government of India are given the authority to regulate and monitor foreign investments under FEMA.

I. Foreign Exchange Management (International Financial Services Centre) Regulations, 2015

Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (“**FEMA IFSC Regulations**”) shall be applicable to the financial institutions (as defined under regulation 2(b) of the FEMA IFSC Regulations) proposed to be established in IFSC.

Any financial institution or branch of a financial institution set up in the IFSC and permitted/recognized as such by the government of India or a regulatory authority shall be treated as a person resident outside India.

A financial institution or branch of a financial institution shall conduct such business in such foreign currency and with such persons, whether resident or otherwise, as the concerned regulatory authority may determine.

II. Foreign Exchange Management (Overseas Investment) Rules, 2022, Foreign Exchange Management (Overseas Investment) Regulations, 2022, Foreign Exchange Management (Overseas Investment) Directions, 2022 and Master Direction - Overseas Investment, 2024

As per the Foreign Exchange Management (Overseas Investment) Rules, 2022, (“**OI Rules**”) a person resident in India may make Overseas Investment in an IFSC India within the following limits:

- a) In case of an Overseas Direct Investment (“**ODI**”);
 - i) The total financial commitment made by an Indian entity in all the foreign entities taken together at the time of undertaking such commitment shall not exceed 400 percent of its net worth as on the date of the last audited balance sheet or as directed by the Reserve Bank, in consultation with Central Government from time to time. Such financial commitment shall not include capitalization of the retained earnings for reckoning such limit, but shall include utilisation of the amount raised by the issue of American Depository Receipts or Global Depository Receipts and stock-swap of such receipts; and
 - ii) Utilisation of the proceeds from External Commercial Borrowings to the extent the corresponding pledge or creation of charge on assets to raise such borrowings has not already been reckoned towards the above limit.
- b) In case of an Overseas Portfolio Investment (“**OPI**”);
 - i) An Indian entity may make OPI which shall not exceed fifty percent of its net worth as on the date of its last audited balance sheet, in the manner and subject to the conditions laid down in Schedule II of the OI Rules.

Any resident individual making an overseas investment will be subject to the overall ceiling under the Liberalised Remittance Scheme (“**LRS**”) of the Reserve Bank.

A person resident in India may make Overseas Investment in an IFSC in the manner as provided below:

- a) in the case of an ODI made in an IFSC, the approval by the financial services regulator concerned, wherever applicable, shall be decided within forty-five days from the date of application complete in all respects failing which it shall be deemed to be approved;

- b) an Indian entity not engaged in financial services activity in India, making ODI in a foreign entity, which is directly or indirectly engaged in financial services activity, except banking or insurance, who does not meet the net profit condition as required under these rules, may make ODI in an IFSC;
- c) a person resident in India may make contribution to an investment fund or vehicle set up in an IFSC as OPI;
- d) a resident individual may make ODI in a foreign entity, including an entity engaged in financial services activity, (except in banking and insurance), in IFSC if such entity does not have subsidiary or step down subsidiary (“SDS”) outside IFSC where the resident individual has control in the foreign entity.

A recognised stock exchange in the IFSC shall be treated as a recognised stock exchange outside India for the purpose of OI Rules.

The provisions pertaining to ODI in financial services activity (paragraph 2 of schedule I and paragraph 2 of schedule V of OI Rules) are summarised below:

Indian entity	in foreign entity	Subject to the financial commitment limit, reporting and n as per the OI Rules/Regulations and other applicable provisions as under
a) Engaged in Financial Services activity	Engaged in Financial Services activity	Subject to the provisions contained in paragraph 2(1) of schedule I of the OI Rules. Where such investment is in IFSC, the requisite approval by the financial services regulator concerned shall be decided within 45 days from the date of receipt of application complete in all respects failing which it shall be deemed to be approved
	Not engaged in Financial Services activity	Subject to the guidelines issued by the respective regulator
b) Not engaged in Financial Services activity	Engaged in Financial Services activity except banking or insurance	Indian entity has posted net profits during the preceding three financial years. However, an Indian entity not meeting 3-year profitability condition may make such ODI in a foreign entity in IFSC in India.
	Engaged in general and health insurance	Apart from the 3 years profitability criteria, such insurance business is supporting the core activity undertaken overseas by such Indian entity. For instance, health insurance to support medical/hospital business, vehicle insurance to support the manufacturing/export of motor vehicles, etc.
c) Overseas investment in any sector by banks and non-banking financial institutions regulated by the Reserve Bank shall be subject to such other conditions as may be stipulated by the regulatory department concerned of the Reserve Bank in this regard.		
d) A foreign entity will be considered to be engaged in the business of financial services activity if it undertakes an activity, which if carried out by an entity in India, requires registration with or is regulated by a financial sector regulator in India.		

A resident individual may make overseas investment in accordance with schedule III of OI Rules. The following is further provided:

- a. Where a resident individual has made ODI without control in a foreign entity that subsequently

acquires or sets-up a subsidiary/SDS, such resident individual shall not acquire control in such foreign entity.

- b. Overseas investment by way of capitalisation, swap of securities, rights/bonus, gift, and inheritance shall be categorised as ODI or OPI based on the nature of the investment. However, where the investment, whether listed or unlisted, by way of sweat equity shares, minimum qualification shares and shares/interest under Employee Stock Ownership Plan (ESOP)/Employee Benefits Scheme does not exceed 10 per cent of the paid-up capital/stock of the foreign entity and does not lead to control, such investment shall be categorised as OPI.
- c. In case of swap of securities both the legs of the transaction shall comply with FEMA provisions, as applicable. However, where swap of securities results in acquisition of any equity capital which is not in conformity with the OI Rules/Regulations, e.g., ODI in foreign entity engaged in financial services activity, foreign entity having a subsidiary/SDS, etc., such equity capital must be disinvested within a period of six months from the date of such acquisition.
- d. Resident individuals are not permitted to transfer any overseas investment by way of gift to a person resident outside India.
- e. Shares/interest under ESOP/Employee Benefits Scheme - AD banks may allow remittances, towards acquisition of the shares/interest in an overseas entity under the scheme offered directly by the issuing entity or indirectly through a Special Purpose Vehicle (SPV) /SDS. Where the investment qualifies as OPI, the necessary reporting in Form OPI shall be done by the employer concerned in accordance with regulation 10(3) of OI Regulations. Where such investment qualifies as ODI, the resident individual concerned shall report the transaction in Form FC.
- f. Foreign entities are permitted to repurchase the shares issued to residents in India under any ESOP Scheme provided (i) the shares were issued in accordance with the rules/regulations framed under FEMA, 1999, (ii) the shares are being repurchased in terms of the initial offer document, and (iii) necessary reporting is done through the AD bank.
- g. Though there is no limit on the amount of remittance made towards acquisition of shares/interest under ESOP/Employee Benefits Scheme or acquisition of sweat equity shares, such remittances shall be reckoned towards the LRS limit of the person concerned.

A person resident in India, other than an Indian entity or a resident individual may make overseas investment in accordance with schedule IV of OI Rules. The following is further provided:

- a. Mutual Funds (MFs) and Venture Capital Funds (VCFs)/Alternative Investment Funds (AIFs) registered with SEBI may, in accordance with paragraph 2 of schedule IV of OI Rules, invest overseas in securities as stipulated by SEBI within an overall cap of USD 7 billion and USD 1.5 billion, respectively. Further, a limited number of qualified MFs are permitted to invest cumulatively up to USD 1 billion in overseas Exchange Traded Funds, as may be permitted by SEBI. Such investment shall be considered as OPI irrespective of whether the securities are listed or not.
- b. MFs/VCFs/AIFs desirous of availing this facility may approach SEBI for necessary permission. Operational modalities regarding eligibility criteria, individual limits, identification of recognised stock exchanges, investible universe, monitoring of aggregate ceilings, etc., shall be as per the guidelines issued by SEBI. General permission is available to such Investors for sale of securities so acquired.
- c. An AD bank, including its overseas branch, may acquire or transfer foreign securities in terms of host country regulations/laws, as applicable, in the normal course of its banking business. The provisions contained in OI Rules/Regulations shall not apply to such acquisition or transfer of foreign securities by an AD bank.
- d. Any overseas investment by the sole proprietorship or unregistered partnership firms may be made

by the proprietor concerned or the individual partners concerned within their limit available under the LRS in accordance with schedule III of the OI Rules. If the proposed investment is in strategic sector, any application for making overseas investment in excess of the LRS limit may be made under the government approval route.

- e. Overseas investment by registered trust/society may be made under the approval route in accordance with paragraph 1 of schedule IV of OI Rules.

A person resident in India may make overseas investment in an IFSC in India in accordance with schedule V of OI Rules. The following is further provided:

- a. A person resident in India, being an Indian entity or a resident individual, may make investment (including sponsor contribution) in the units of an investment fund or vehicle set up in an IFSC as OPI. Accordingly, in addition to listed Indian companies and resident individuals, unlisted Indian entities may also make such investment in IFSC.
- b. The restriction of making ODI only in an operating foreign entity or not making ODI in a foreign entity engaged in financial services activity by resident individuals, shall not apply to an investment made in IFSC. Such investment, however, shall not be made in any foreign entity engaged in banking or insurance. Such foreign entity in IFSC may have subsidiary/SDS in IFSC. It may also have subsidiary/SDS outside IFSC where the resident individual does not have control in the foreign entity. Resident individual who has made ODI without control shall not acquire control in a foreign entity that subsequently acquires or sets-up a subsidiary/SDS outside India.

THE INFORMATION PRESENTED ABOVE IS A BROAD DISCUSSION ON THE IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS APPLICABLE TO THE SCHEME, THE FME AND THE INVESTOR. FOR A COMPREHENSIVE UNDERSTANDING OF THE POSITION OF LAW, THE READER IS DIRECTED TO THE ORIGINAL TEXT OF THE STATUTES, REGULATIONS, RULES OR GUIDELINES MENTIONED ABOVE AND TO SEEK APPROPRIATE LEGAL COUNSEL IN CONNECTION THEREWITH.

TAXATION OF THE SCHEME

POTENTIAL INVESTORS SHOULD CONSIDER THE FOLLOWING SUMMARY OF CERTAIN TAXATION ASPECTS AFFECTING THE SCHEME. POTENTIAL INVESTORS ARE ADVISED TO BE INFORMED AS TO ANY INCOME OR OTHER TAX CONSEQUENCES WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THEIR RESPECTIVE INTERESTS IN THE FUND/SCHEME. IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES AND SINCE THE TAX CONSEQUENCES DISCUSSED IN THIS SUMMARY ARE INDICATIVE IN NATURE, EACH INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES ARISING DUE TO INVESTMENT IN THE FUND/SCHEME.

THE FOLLOWING SUMMARY IS BASED ON THE LAW AND PRACTICE OF THE INCOME TAX ACT, 1961 (“IT Act”), THE INCOME-TAX RULES, 1962 (“RULES”) AND VARIOUS CIRCULARS AND NOTIFICATIONS ISSUED THERE UNDER FROM TIME TO TIME. THE IT ACT IS AMENDED EVERY YEAR BY THE FINANCE ACT OF THE RELEVANT YEAR AND THIS SUMMARY REFLECTS CHANGES TO THE DATE OF THIS SUMMARY. THE TAX RATES SPECIFIED BELOW ARE FOR THE FINANCIAL YEAR (“FY”) 2025-2026 (ASSESSMENT YEAR 2026-2027) AS PRESCRIBED UNDER THE CURRENT PROVISIONS OF THE IT ACT.

THIS INFORMATION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, INCIDENCE AND RISKS INHERENT IN PURCHASING OR HOLDING THE UNITS/BENEFICIAL INTEREST OF THE SCHEME. THE INFORMATION CONTAINED HEREIN IS BASED ON AN INTERPRETATION OF PREVAILING TAX LEGISLATION AND COULD THEREFORE CHANGE OR BE ADVERSELY AFFECTED IF ALTERNATIVE INTERPRETATIONS ARE ADOPTED.

THE SUMMARY IS BASED ON LAWS, REGULATIONS, RULINGS AND JUDICIAL DECISIONS NOW IN EFFECT, AND CURRENT ADMINISTRATIVE RULES, PRACTICES, AND INTERPRETATIONS, ALL OF WHICH ARE SUBJECT TO CHANGE, WITH POSSIBLE RETROSPECTIVE EFFECT. IT IS THE RESPONSIBILITY OF ALL PERSONS INTERESTED IN PURCHASING BENEFICIAL INTEREST OF THE SCHEME TO INFORM THEMSELVES AS TO ANY INCOME-TAX OR OTHER TAX CONSEQUENCES, WHICH ARE RELEVANT TO THEIR PARTICULAR CIRCUMSTANCES IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF THE BENEFICIAL INTEREST.

THE TAX RATES STATED BELOW ARE EXCLUSIVE OF SURCHARGE AND HEALTH AND EDUCATION CESS (UNLESS STATED OTHERWISE). THE TAX RATES ARE APPLICABLE FOR THE FINANCIAL YEAR 2025-26.

For the purpose of the above section, the terms “beneficiaries”, “unit holders”, “contributors” and “Investors” have been used interchangeably, unless otherwise specified. Similarly, the terms “Trust”, “Fund” and “Scheme” have been used interchangeably, unless otherwise specified.

I. Taxation of the Scheme

The Scheme is settled under the Indian Trusts Act, 1882 with the name ‘**Parag Parikh IFSC S&P 500 Fund of Fund**’ (“Scheme”) for the purpose of making investments permissible for an open-ended retail scheme, in accordance with Applicable Law and its investments objectives and is managed by **PPFAS Alternate Asset Managers IFSC Private Limited**, which is registered with IFSCA as a Registered Fund Management Entity (Retail). The Indenture of the Scheme is registered under the Registration Act, 1908. The Scheme is categorised as a Retail Scheme under the IFSCA FM Regulations and is proposing to pool monies from resident Indian investors.

Currently, there are no special provisions under the IT Act that specifically govern the taxability of Retail Scheme in IFSC which pools money from resident Indian investors.

In order to promote fund businesses in IFSC, special tax regime has been provided under the IT Act for Retail Scheme which has been granted certificate and satisfies the conditions laid down in FM Regulations issued by IFSCA which is set up in IFSC and with all unit holders (except for units held by manager / sponsors) being non-resident. Such Scheme under the IT Act is being referred to as Specified fund.

In the present case, the Scheme will have only resident investors (including manager/ sponsor) at all the time. Therefore, it will not be regarded as Specified Fund and hence, not eligible to claim exemption granted under section 10(4D) of the IT Act.

In such a scenario, the Scheme could be taxed per the general principles of taxation of trusts viz. sections 161 to 164 of IT Act or sections dealing with revocable transfers (sections 61 to 63 of IT Act) (subject to discussion hereunder).

➤ **Residential Status of the Scheme**

The basis of charge of Indian income-tax depends upon:

- the residential status of the taxpayer during a tax year; and
- the nature of the income earned.

The Indian tax year runs from April 01 until March 31.

A person who is an Indian tax resident is liable to tax in India on worldwide income, subject to certain tax exemptions, which are accorded under the provisions of the IT Act. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's Indian-sourced income or income received in India.

The Scheme would be regarded as a 'resident' for the purposes of IT Act.

➤ **Taxation per the IT Act**

The taxation of a trust depends on the nature of a transfer/contribution by investor (i.e. revocable or irrevocable) and whether beneficiaries and their respective interests in the Scheme are identified/determined upfront or not (i.e. determinate or indeterminate trust) and the nature of activity undertaken by the Scheme (i.e. whether any business activity undertaken or not).

The Scheme seeks to organize itself such that relying on certain principles laid down in certain income-tax rulings, there may be basis for it to be regarded as an **irrevocable determinate trust**. However, the risk of the tax/ appellate authorities seeking to treat the Scheme as an indeterminate trust cannot be ruled out.

Revocable v. Irrevocable transfer

A transfer of an asset is considered revocable when the transfer document contains a provision for:

- (i) the re-transfer, directly or indirectly, of the whole or any part of the income from the asset to the transferor, or
- (ii) in any way gives a right to the transferor to reassume power, directly or indirectly, over the whole or any part of the income or asset.

If the capital contributions to the Scheme are considered to be revocable in nature within the meaning of sections 61 to 63 of the IT Act, the beneficiaries would be liable to tax on the income attributable to such revocable contributions.

If the transfer is regarded as irrevocable, then the tax treatment ought to be determined on the basis whether the respective shares of the beneficiaries are determinate or not.

In case the Scheme is considered as irrevocable vis-à-vis its beneficiaries and determinate

- a. Per Explanation to section 164 of the IT Act, a trust is considered to be a determinate trust if it fulfils the following two conditions:
 - (i) Beneficiaries of the income arising to the trust are identifiable on the date of the indenture of trust; and
 - (ii) The individual share of income of each beneficiary is ascertainable as on the date of the indenture of trust.
- b. Based on a ruling rendered by the Authority for Advance Rulings (“AAR”) in the case of *AIG*³, a trust may be considered as determinate where the instrument of trust specifies the categories of beneficiaries in the trust and prescribes a methodology for the determination of each beneficiary. However, it is pertinent to note that a ruling rendered by the AAR is binding only in case of applicant who sought the ruling and in respect of the transaction for which the ruling was sought. The above view has also been upheld by the Hon’ble High Court of Karnataka in the case of *CIT vs. India Advantage Fund VII*⁴. It is pertinent to note that the High Court decisions (unless subsequently reversed) are binding on all the tax authorities and tribunals functioning under the jurisdiction of the High Court.
- c. Further, an income-tax ruling has held that in order to form a determinate trust, the beneficiaries should be known, and the individual shares of those beneficiaries should be ascertainable as on the date of trust deed.
- d. Separately, the Central Board of Direct Taxes (“CBDT”) had issued a circular no. 13/2014 dated 28 July 2014, in connection with the taxation of AIFs having status of non-charitable trusts under the IT Act. Per the aforesaid circular, in the situation where the trust deed either does not name the investors or does not specify their beneficial interests, provisions of section 164(1) of the IT Act would come into play and the entire income of such a Scheme will become liable to be taxed at the Maximum Marginal Rate (“MMR”) in the hands of the trustees of such AIFs in their capacity as ‘Representative Assessee’. Further, per the said circular, in such cases, provisions of section 166 of the IT Act will not be invoked in the hands of the investors, as corresponding income has already been taxed in the hands of the ‘Representative Assessee’ in accordance with section 164(1) of the IT Act. Further, the circular also states that, in the cases of Scheme where the names of the beneficiaries and their interests in the Scheme are determined i.e. stated in the trust deed, the tax on whole of the income of the Scheme (consisting of or including profits and gains of business), would be leviable upon the trustees of such AIFs, being ‘Representative Assessee’ at the MMR in accordance with section 161(1A) of the IT Act. Further, the circular clarified that the above clarification does not apply in the area falling in the jurisdiction of a High Court which has taken or takes a contrary decision on the issue. It is pertinent to note that CBDT circulars are binding on the revenue authorities but not on the assessee. Further, CBDT Circulars cannot enlarge/alter provisions of the IT Act.
- e. However, recently Hon’ble Delhi High Court in the case of *Equity Intelligence AIF Trust*⁵, applied the doctrine of impossibility to read down CBDT Circular No. 13/2014 dated 28 July 2014, finding it inconsistent with SEBI Regulations for AIF. The Circular requires the AIF to mention the investor names and their beneficial interests in the original trust deed for ‘determinate trust’ classification under the IT Act. On the other hand, the SEBI Regulations prohibit any investment to be received before obtaining SEBI registration certificate. Accordingly, naming investors or

³ Advance Ruling P. No. 10 of 1996 In re [1997] 224 ITR 473 (AAR)

⁴ [2017] 78 taxmann.com 301 (Karnataka)

⁵ *Equity Intelligence AIF Trust v. CBDT & Anr.* (W.P. (C) 9972/2024 & CM APPL Nos. 40840/2025, 69940/2024 & 1448/2025)

their share in the trust deed which is required at the time of registration would have violated these Regulations. Hon'ble Delhi High Court while addressing the inconsistency held that Category-III AIFs cannot be deemed indeterminate trusts solely due to the absence of investors' identity and their share mentioned in the trust deed on the execution date and should not be taxed at the Maximum Marginal Rate ("MMR"). The above principle likely to hold good in case of the Scheme which is required to seek registration under the IFSCA FM Regulations.

- f. As mentioned above, whilst the Scheme seeks to organize itself such that relying on certain principles laid down in certain tax rulings, there may be basis for it to be regarded as a determinate trust, the risk of the tax authorities seeking to treat the Scheme as an indeterminate trust cannot be ruled out.
- g. In case, the Scheme qualifies as a determinate trust, the trustee of the Scheme is assessed as a 'Representative Assessee' of the beneficiaries under section 161 of the IT Act. Tax is levied on and payable by trustee in the like manner and to the same extent as it would be leviable on the beneficiaries i.e., the manner, rates and mechanism of taxation as applicable to the beneficiaries apply *vis-à-vis* share of income of each beneficiary.
- h. Once the income is taxed in the hands of the trustee (in its capacity as a 'Representative Assessee'), no further tax implications on subsequent distribution of the said income by the trustee in the hands of the beneficiaries (subject to Minimum Alternative Tax ('MAT') implications discussed below for corporate beneficiaries) arise. However, it should be noted that the tax authority may assess the income directly in the hands of beneficiaries under section 166 of the IT Act, if not already assessed in the hands of trustee. Even if the tax authority tax the beneficiaries directly, the taxes, if any, paid by the trustee in their capacity as a representative assessee, could in principle, be available as credit against the tax liability, if any, of the beneficiaries. There may also be additional tax liability for corporate entities paying taxes per MAT provisions.
- i. If any portion of the income of the trust is characterised as business income, the whole of the income of the trust could become chargeable to tax in the hands of the trustee at MMR under the provisions of section 161(1A) of the IT Act subject to allowability of any deductible expenses of the trust.

In case the Scheme is considered as irrevocable vis-à-vis its beneficiaries and indeterminate

- a. In case, the Scheme does not meet the criteria of a determinate trust as specified above, it would be considered as a discretionary (indeterminate) trust and the trustee of the Scheme could be taxable at MMR under section 164 of the IT Act.
- b. Relying on judicial precedents, it could be possible to take a view that concessional rates of capital gains tax shall gain precedence over MMR prescribed under section 164 of the IT Act. However, the possibility of the Indian Tax authorities taking a contrary view cannot be ruled out.

➤ ***Various streams of income of the Scheme***

Basis the investment strategy of the Scheme, it will primarily invest in ETFs and UCITS that are designed to replicate the performance of the Benchmark (i.e., UCITs will invest in underlying listed offshore equity). The Scheme would primarily earn income through the Scheme from the following streams:

- a. Interest income;
- b. Dividend income;
- c. Gains arising on transfer/ redemption of securities (i.e., ETFs and UCITs);
- d. Furthermore, the investors of the Scheme would primarily earn gains arising on transfer/ redemption of units of the Scheme

The tax implications with respect to each of the above-mentioned income streams are discussed as under.

a. Interest income and dividend income

Interest and dividend income earned by	Tax rate for domestic Beneficiaries
Companies (Refer Note 1)	30%/ 25%/ 22%/ 15%
Firms / LLPs	30%
Others, including the Scheme (Refer Note 2)	As per the applicable slab rates, maximum being 30%

The above-mentioned tax rates are exclusive of applicable surcharge and health and education cess.

Note 1: For FY 2025-26, domestic companies are taxed at 25% plus applicable surcharge and cess where its total turnover in the previous year 2022-23 is up to INR 400 crores. Existing companies may opt for 22% (plus 10% surcharge and cess) under section 115BAA, and new manufacturing companies may opt for 15% (plus 10% surcharge and cess) under section 115BAB, subject to prescribed conditions.

Considering that in the present case the Scheme is open ended scheme, the trustee or the Scheme may decide to discharge taxes on interest and dividend income at MMR (i.e., 30% plus applicable surcharge and cess) irrespective of the status of underlying resident investors.

b. Gains arising on transfer/ redemption of securities (i.e., ETFs and UCITs)

Gains arising from the transfer of securities may be treated either as ‘capital gains’ or as ‘business income’ for tax purposes, depending upon whether such securities are held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterisation of gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the tax authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as ‘business profits’ or as ‘capital gain’. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Also, the CBDT has provided guidance (vide its Instruction No. 1827, dated August 31, 1989 and Circular No. 4/2007, dated June 15, 2007) in respect of characterization of gains as either capital gains or business income.

The Fund intends to organize itself in a manner that it complies with the conditions and parameters mentioned in the CBDT Circular and instructions such that the income from sale of securities in the investee companies be generally categorized as capital gains. However, the possibility of the tax authorities seeking to treat such income as business income cannot be ruled out.

Further, for determining the tax treatment of income arising from transfer of unlisted shares for which no formal trading markets exists, the CBDT had issued an instruction dated 2 May 2016 where it has been decided that income arising from transfer of unlisted shares is considered as ‘capital gains’, irrespective of the period of holding, with a view to avoid litigations / disputes and to maintain uniform approach. It is, however, clarified that the above would not be necessarily applied in the situations where:

- i. the genuineness of transactions in unlisted shares itself is questionable; or
- ii. the transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- iii. the transfer of unlisted shares is made along with the control and management of underlying business and the Assessing Officer would take appropriate view in such situations.

• **If the gains are characterised as capital gains**

Per section 45 of the IT Act, any profits or gains arising from the transfer of capital assets are chargeable to income tax under the head 'capital gain'.

Section 48 of the IT 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 the transfer of the capital asset and the cost of acquisition / indexed cost of acquisition (as applicable) of such asset plus expenditure incurred wholly and exclusively in connection to such transfer. Under the IT Act, capital gains will be taxable in the hands of the taxpayer depending on the nature of securities and the period of holding. The capital gains would be classified as long-term or short-term, depending upon the period of holding of the assets.

Type of instrument	Period of holding	Characterisation
Listed securities on recognised stock exchange in IFSC (i.e. bonds) (Refer Note 1)	More than 12 months	Long-term Capital Asset
	12 months or less	Short-term Capital Asset
Unlisted securities including overseas equity securities, units, overseas Funds and ETFs (whether listed outside India or not) [other than Unlisted Debentures and Bonds] (Refer Note 1)	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset
Unlisted Debentures and Bonds (Refer Note 2)	-	Deemed Short-term Capital Asset

Note 1: The Finance Act, 2023 introduced section 50AA of the IT Act. As per the provisions of section 50AA, capital gains arising on transfer / redemption / maturity of a specified mutual fund (acquired on or after the 1st day of April, 2023) or Market Linked Debenture are deemed to be short-term capital gains (irrespective of the period of holding).

“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" was defined to mean 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.

However, the Finance Act, 2024 amended the definition of “Specified Mutual Fund” (with effect from AY 2026-27) to mean that:

- (a) a mutual Fund by whatever name called, which invest more than sixty five percent of the total proceeds in debt and money market instrument or;
- (b) a fund which invests sixty five percent or more of its proceeds in units of fund referred to in clause (a) above

For this purpose, "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.¹.

Note 2: As per the amendments in section 50AA of the Act vide the Finance (No. 2) Act, 2024, gains on transfer or redemption or maturity of unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after 23 July, 2024 shall also be considered as deemed short term capital gains irrespective of the period of holding.

Taxability of capital gains under the IT Act is as follows:

Type of instrument	Long-term capital gains	Short-term capital gains
Listed securities on recognised stock exchange in IFSC (i.e. bonds)	12.5% (without indexation)	30%/ 25%/ 22%/ 15% (refer to Note 1 mentioned under the head 'Interest and Dividend Income)
Unlisted securities (including overseas equity securities, units, overseas funds and ETFs [whether listed outside India or not] other than Unlisted Debentures and Bonds)		
Unlisted Debentures and Bonds	Not Applicable (As it would be deemed Short Term as discussed above)	

The above-mentioned tax rates are exclusive of surcharge and health and education cess.

Considering that in the present case the Scheme is open ended scheme, the trustee or the Scheme may decide to discharge taxes on short term capital gains at MMR (i.e., 30% plus applicable surcharge and cess) irrespective of the status of underlying resident investors.

- **If the gains are characterised as business income**

If the gains arising from the transfer of securities are categorised as business income of the Scheme, the whole of the income of the Scheme (net of eligible expenses) is taxable at MMR under the provisions of section 161(1A) of the IT Act which are applicable to the Scheme being a determinate trust.

c. Gains on transfer of units of the Scheme

Gains arising on transfer of units of the Scheme are taxable in the hands of the investors. The Indian income tax implications shall depend on the characterisation of gains either as business income or capital gains in the hands of the investors. Accordingly, the tax rates mentioned above for capital gains and business income should continue to apply in such case.

➤ **Exit from the Scheme**

The trustee intends to discharge the applicable taxes on any income arising on disposal of portfolio investments as a representative assessee of Beneficiaries. It may be argued that once the trustee has discharged the tax liability on such income, there may not be any further tax liability in the hands of Beneficiary on exit from the Scheme for the purpose of distribution of such proceeds. However, there is a risk that arguably exit from the Scheme may be treated as a separate taxable transfer. In such an event, the Beneficiaries may be subject to tax on such exit in addition to the tax liability discharged by the trustee.

In case, Scheme is regarded as indeterminate trust or the status of beneficiaries are not known, the Scheme shall discharge the tax at MMR.

➤ **Capital losses**

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, can be carried forward for subsequent eight 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, is carried forward and set-off against long-term capital gains arising during the subsequent eight assessment years.

➤ **Surcharge**

In the case of individuals / Hindu undivided family / association of persons / body of individuals:

- If total income does not exceed INR 0.5 crore - NIL
- If total income exceeds INR 0.5 crore but does not exceeds INR 1 crore - 10%
- If total income exceeds INR 1 crore but does not exceed INR 2 crore - 15%
- If total income exceeds INR 2 crore but does not exceed INR 5 crore - 25%
- If total income exceeds INR 5 crore - 37%

However, in the case where the total income includes any income by way of dividend or income referred to in Section 111A, 112 or Section 112A of the IT Act, surcharge on such income shall not exceed 15%.

Further, in case of an association of persons consisting of only companies as its members, the rate of surcharge on the amount of income-tax shall not exceed 15%.

As per the IT Act, the rates provided under the sub-section (1A) of section 115BAC of the IT Act shall be applicable for Individual / HUF / AOP (other than co-operative society) / BOI / AJP unless an option is exercised under the sub-section (6) of section 115BAC to opt out of the regime. Further, the option of opting back to the regime under sub-section (1A) of section 115BAC can be exercised only once by a taxpayer earning income from business or profession. However, a person not having income from business or profession shall be able to exercise this option every year. Under this new regime, the rate of surcharge shall be capped at 25% (instead of 37%).

In the case of domestic companies:

- If total income does not exceed INR 1 crore - NIL
- If total income exceeds INR 1 crore but does not exceed INR 10 crore - 7%
- If total income exceeds INR 10 crore - 12%

In the case of foreign companies:

- If total income does not exceed INR 1 crore - NIL
- If total income exceeds INR 1 crore but does not exceed INR 10 crore - 2%
- If total income exceeds INR 10 crore - 5%

Considering that in the present case the Scheme is open ended scheme, the trustee or the Scheme may decide to discharge taxes on all incomes (except long-term capital gains) at MMR (i.e., 30% plus applicable higher surcharge of 37% and cess of 4%) irrespective of the status of underlying resident investors. In case of long-term capital gains and dividend income, surcharge shall be restricted to 15%.

➤ **Health and education cess**

4% on income-tax and surcharge, applicable to all assessees.

➤ **Goods and Service Tax**

GST is not applicable on services received by a unit in IFSC and also on services provided to IFSC/ SEZ units. As management fees will be paid by the Scheme to the FME set-up as a unit in the IFSC, the same should not be subject to GST.

However, in case where services procured by the unit in IFSC does not satisfy certain conditions laid down under the GST law, the benefit of the exemption would not be available, and the GST charged will become a cost.

➤ **Elimination of double taxation**

The Scheme may be subject to taxes in the overseas jurisdiction. Further, under the IT Act, there are provisions which permit credit of such taxes (discharged outside India) while computing the tax liability on such overseas income in India. Further, the tax treaties may also provide for provisions for elimination of double taxation, if applicable.

Given that the Scheme is a trust with resident beneficiaries, availability of benefit under the tax treaties and availability of credit of taxes paid outside India will have to be evaluated based on facts of the case.

➤ **General Anti-avoidance Rule (“GAAR”)**

The GAAR regime as introduced in the IT Act is effective from April 1, 2017. GAAR may be invoked by the 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 four below mentioned tainted elements:

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

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

- Disregarding or combining or recharacterising any step in, or a part or whole of the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situation of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.;
- Disregarding or treating any accommodating party and other party as one and the same person; and
- Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

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

On 27 January 2017, the CBDT 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.
- **Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting (“MLI”)**

The Organisation of Economic Co-operation and Development (‘OECD’) released the Multilateral Convention to implement Tax Treaty related measures to prevent Base Erosion and Profit Shifting.

MLI is an agreement negotiated under Action 15 of the OECD/G20 BEPS Project. As opposed to bilateral Double Taxation Avoidance Agreements, the MLI is intended to allow jurisdictions to swiftly amend their tax treaties to include the Tax Treaty-related BEPS recommendations in multiple Tax Treaties. MLI seeks to curb tax planning strategies that have the effect of shifting profits to low or no tax jurisdictions, supplements or modifies existing tax treaties etc.

The final impact of the MLI on a Tax Treaty is dependent on both the contracting states to the Tax Treaty having deposited their respective instruments of ratification with their final MLI Positions with the OECD Depositary. The MLI includes both mandatory provisions (i.e. the minimum standards under the BEPS Project) as well as non-mandatory provisions.

India has been an active participant in the entire discussion and its involvement in the BEPS project has been intensive. In a ceremony held in Paris on 7 June 2017, various countries including India, signed the MLIs. The Union Cabinet of India issued a press release dated 12 June 2019, approving the ratification of the MLI to implement Tax Treaty related measures to prevent BEPS. The application of MLI to a Tax Treaty is dependent on ratification as well as positions adopted by both the countries signing a Tax Treaty. On June 25, 2019, India has taken the final step for implementation of MLI by depositing its instrument of ratification with the OECD. The MLI entered into force from 1 October 2019 and operational with effect from the financial year beginning from 1 April 2020 in respect of certain treaties signed by India.

MLI provisions may need to be evaluated where any benefits under the tax treaty are intended to be claimed by the Scheme and/ or the investors.

IMPORTANT QUALIFICATION

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION OF THE SCHEME AND TAXATION OF INVESTORS OF THE SCHEME WOULD BE NECESSARILY ACCEPTED BY THE INCOME-TAX AUTHORITIES UNDER THE IT ACT. NO REPRESENTATION IS MADE EITHER BY THE TRUSTEE OR THE FME OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE FME IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION OF THE SCHEME AND TAXATION OF INVESTORS OF THE SCHEME BY THE INCOME TAX AUTHORITIES UNDER THE IT ACT. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

SECTION X: DISCIPLINARY HISTORY

Disciplinary history of the Scheme, Trustee, FME and their directors (as may be applicable) are provided hereunder:

Details of disciplinary history of the Scheme, FME and their directors:

- 1) **Details of outstanding/pending and past cases (where the person has been found guilty) of litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, overdues to/defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences, adverse findings with respect to compliance with securities laws, penalties levied, disputed tax liabilities, etc.**

Nil

- 2) **Any disciplinary action taken by any other regulatory authority (including the overseas regulator).**

Nil

- 3) **Operational actions such as administrative warnings/deficiency letters:**

Nil

The details with respect to the disciplinary history of the Trustee and its directors are provided hereunder:

- 1) **Details of outstanding/pending and past cases (where the person has been found guilty) of litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, overdues to/defaults against banks or financial institutions, contingent liabilities not provided for, proceedings initiated for economic offences or civil offences, adverse findings with respect to compliance with securities laws, penalties levied, disputed tax liabilities, etc.:**

As on March 31, 2025, contingent liabilities towards Income Tax matter amount to INR 189.56* Lakhs (*Net of tax refund adjusted).

- 2) **Any disciplinary action taken by regulatory authority (including the overseas regulator):**

(a) Adjudication Order No. EAD/PM-AA/AO/17/2018-19 dated July 11, 2018, issued by SEBI under Section 15-I of Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and imposing penalties) Rules, 1995 of Rs. 10,00,000/- (Rupees Ten Lakh Only) by Adjudicating Officer.

(b) Settlement Order bearing No. EAD-3/JS/GSS/80/2018-19 dated April 2, 2019, issued by SEBI under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and SEBI (Settlement Proceedings) Regulations, 2018. (Settlement amount Rs. 15,93,750 (Rupees Fifteen Lakhs Ninety-Three Thousand Seven Hundred and Fifty only) & Rs. 3,98,438 (Rupees Three Lakh Ninety- Eight Thousand Four Hundred and Thirty Eight only) for the delay in the filing of the Settlement application).

- 3) **Operational actions such as administrative warnings/deficiency letters:**

(a) Administrative warning issued by SEBI vide letter dated November 14, 2013 read with letter dated January 1, 2014 on inspection of books and records of debenture trustee business. b.

- (b) Administrative warning issued by SEBI vide letter dated August 14, 2017 on inspection of books and records of debenture trustee business.
- (c) Administrative warning issued by SEBI vide letter dated May 31, 2019 on inspection of books and records of debenture trustee business.
- (d) Administrative warning and deficiency letter issued by SEBI vide letter dated May 31, 2022, on books and records of debenture trustee business.
- (e) Administrative warning issued by SEBI vide letter dated June 9, 2023, in relation to inspection conducted by SEBI for one of ATSL's InvIT client.
- (f) Advisory issued by SEBI vide letter dated June 12, 2023 in relation to inspection conducted by SEBI for one of ATSL's REIT client.
- (g) Administrative warning and Advisory, vide letter dated August 08, 2023 and September 12, 2023, respectively both issued by SEBI in relation to thematic inspection on debenture trustees.
- (h) Administrative warning issued by SEBI vide letter dated September 28, 2023 in relation to non-submission of information to SEBI as required under Regulation 10(18)(a) of REIT Regulations, 2014 by one of the ATSL's REIT client.
- (i) Administrative warning issued by SEBI vide letter dated October 23, 2023 in relation to thematic inspection on debenture trustees with respect to creation of charge on the security for the listed debt securities as required under SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020.
- (j) Deficiency letter issued by SEBI vide letter dated January 11, 2024 in relation to thematic inspection of Real Estate Investment Trusts (REITs) – Compliance with REIT Regulations w.r.t submission of quarterly reports by Manager of the REIT to the Trustee.
- (k) Administrative warning, Deficiency Letter, Advisory issued by SEBI vide letter dated June 28, 2024 in relation to inspection of Axis Trustee Services Limited for the inspection period from July 01, 2021 to August 30, 2023
- (l) Administrative warning issued by SEBI vide letter dated November 14, 2024 in relation to Examination with respect to recording and verification of Cash flow information in the Securities and Covenant Monitoring (SCM) system by Axis Trustee Services Limited, (ATSL) for the secured listed ISINs.
- (m) Administrative warning, Deficiency, Advisory issued by SEBI vide letter dated March 17, 2025 in relation to inspection of Axis Trustee Services Limited for the inspection period from September 01, 2023 to April 30, 2024.
- (n) Administrative warning issued by SEBI vide letter dated March 18, 2025, in relation to inspection of Axis Trustee Services Limited with respect to thematic inspection for Event of Defaults.
- (o) Administrative warning and advisory issued by SEBI vide letter dated March 24, 2025, in relation to inspection of REIT Client of Axis Trustee Services Limited.
- (p) Advisory issued by SEBI vide letter dated March 25, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (q) Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.

- (r) Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (s) Deficiencies and advisory for issued by SEBI vide letter dated March 28, 2025, in relation to inspection of REIT Client of Axis Trustee Services Limited
- (t) Administrative Warning and Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (u) Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (v) Administrative, Deficiency and Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (w) Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of REIT Client of Axis Trustee Services Limited.
- (x) Deficiency and Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of REIT Client of Axis Trustee Services Limited.
- (y) Advisory issued by SEBI vide letter dated March 28, 2025, in relation to inspection of InvIT Client of Axis Trustee Services Limited.
- (z) Administrative Warning issued by SEBI vide its letter dated March 28, 2025 in relation to inspection of InvIT client of Axis Trustee Services Limited.
- (aa) Administrative, Deficiency and Advisory issued by SEBI vide its letter dated April 01, 2025, in relation to inspection of InvIT client of Axis Trustee Services Limited.
- (bb) Advisory issued by SEBI vide its letter dated April 03, 2025, in relation to inspection of InvIT client of Axis Trustee Services Limited.
- (cc) Show cause notice dated May 30, 2025, issued by SEBI under rule 4(1) of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 w.r.t Role of Axis Trustee in the matter of Fit and Proper Criteria in relation to KMP of a REIT client.
- (dd) Administrative Warning issued by IFSCA vide its letter dated September 08, 2025, in relation to inspection of FME client of Axis Trustee Services Limited
- (ee) Warning issued by IFSCA vide its letter dated September 23, 2025, in relation to non-compliance in appointment of fund administrator in case of FME client of Axis Trustee Services Limited
- (ff) Advisory issued by SEBI vide its letter dated September 30, 2025, in relation to examination of Securitized Debt Instrument issued in which Axis Trustee Services Limited acted as a Trustee.

Administrative warnings mentioned above in (a) to (d), (g) (i), (k), (l), (m) (n), are operational actions issued by SEBI as part of routine inspection of books and records of debenture trustee business.

Administrative warnings and advisory letters mentioned above in (e), (f), (o) to (bb) are operational actions issued by SEBI as part of routine inspection of ATSL's InvIT & REIT client respectively.

Administrative warnings letter mentioned above in (h) and (j) is an operational action issued by SEBI as part of routine submission by ATSL to SEBI w.r.t compliance status of ATSL's REIT client.

Warning letter mentioned above in (dd) is an operational action issued by IFSCA as part of routine inspection of FME client of ATSL w.r.t compliance of IFSCA (Fund Management) Regulations, 2025.

Warning letter mentioned above in (ee) is an operational action issued by IFSCA for one of FME client of ATSL w.r.t compliance of IFSCA (Fund Management) Regulations, 2025.

Advisory letters mentioned above in (ff) is action taken letter issued by SEBI in relation to examination of Securitized Debt Instruments issued in which ATSL acted as a Trustee.

Operational actions (for directors):

Administrative warning issued by SEBI vide letter dated March 31, 2022, to Mr. Prashant Joshi, Director of the Company w.r.t. violation of SEBI (PIT) Regulations in the matter of Axis Bank Ltd

*** Abovementioned details are update as on September 30, 2025.**

SECTION XI: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES

	Particulars of Fees	Assumptions	Basis of Calculation	Class A (Direct)	Class B (Regular)
A	Net contributions received from the Investor			5,000.00	5,000.00
B	Income earned/Gain or Loss*	10%	(A*10%)	500.00	500.00
C	Fees & Other Expense				
	Scheme level expense ratio		(A+B)*Scheme level expense ratio applicable for respective class of units	0.30%	0.60%
				16.50	33.00
D	Net invested amount			5,483.50	5,467.00

* (i) Net of trading expense (other expense) which are charged on actuals over and above TER and (ii) Net of fees, costs and expenses of the underlying Investee Funds.

Notes

1 The format provided above is indicative and provided for reference only. Investors should review and examine the detailed terms mentioned in the Offer Document.

2 Please note that the above table is for illustration purposes only and actuals may differ.

3 The illustration is for a 1-year period; however, the actual tenure of the Scheme would be different.

SECTION XII: GLOSSARY

“20/25 rule”	has the meaning ascribed to such term in paragraph 26 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“20 Investors Limit”	has the meaning ascribed to such term in paragraph 26 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“25% Limit”	has the meaning ascribed to such term in paragraph 26 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Application Date”	has the meaning ascribed to such term in paragraph 14 under the heading ‘ <i>Redemption</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Additional Subscription”	has the meaning ascribed to such term in paragraph 9 under the heading ‘ <i>Initial Subscription and Additional Subscription</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Application Form”	means the subscription form signed by the Investor to subscribe to the Units of the Scheme.
“Applicable Laws”	shall mean any applicable statute, law, ordinance, regulation, rule, order, bye-law, notification, circular, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law, in India and outside India, as is in force from time to time, including the IFSCA FM Regulations, SEZ Act, the Foreign Exchange Management (Overseas Investment) Regulations, 2022, Foreign Exchange Management (Debt Instruments) Regulations, 2019, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, IT Act, and any other laws as may be applicable to the Trust set-up in IFSCA, also including any double taxation avoidance agreement entered into by the Government of India with governments of other jurisdictions.
“Associate(s)”	has the meaning as ascribed to such term under the IFSCA FM Regulations.
“AUM”	means asset under management as on a particular Business Day. For the purposes of clarity, the AUM shall mean such assets under management before considering any Taxes or Scheme Expenses.
“Benchmark”	has the meaning ascribed to such term in paragraph 3 under the heading ‘ <i>Benchmark</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Beneficial Interest”	means the proportionate interest held by an Investor as evidenced by the number of Units held by such Investor in the Scheme multiplied by the Net Asset Value per Unit (as determined in accordance with the Offer Document).
“Business Day”	means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges located in the jurisdiction where the underlying Investee Funds have invested (including India, the United States of America, Republic of Ireland and United Kingdom) are authorized or

	required by Applicable Laws to remain closed or any such day as the FME may specify from time to time.
“Class(es)”	means a class or category of Units, as distinct from another class or category of Units of the Scheme.
“Class A Units”	has the meaning assigned to such term in paragraph 5 titled “ <i>Plans and Options</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Class B Units”	has the meaning assigned to such term in paragraph 5 titled “ <i>Plans and Options</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Compliance Officer”	has the meaning ascribed to such term in “ SECTION II: GOVERNANCE STRUCTURE ” of this Offer Document.
“Corpus”	has the meaning assigned to such term under the IFSCA FM Regulations.
“CRO”	has the meaning assigned to such term in paragraph 37 titled “ <i>Grievance Redressal</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“CRAO”	has the meaning assigned to such term in paragraph 37 titled “ <i>Grievance Redressal</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Custodian”	means any person, company, firm or institution competent to be appointed as a custodian, and acting as such for the time being of all or any of the Investments. ‘ Kotak Mahindra Bank Limited ’ is the Custodian of the Scheme.
“Cut-off Time”	means 12.00 noon (IST) on the relevant Valuation Day or such other time period as may be decided by the FME from time to time.
“Deceased Investor”	has the meaning ascribed to such term in paragraph 22 under the heading ‘ <i>Transfer/pledge and transmission of Units</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Eligible Person”	means a Person who (i) complies with know-your-customer (KYC) norms stipulated by the FME or IFSCA or any other regulatory authority; (ii) is permitted to invest in the Scheme as per Applicable Laws and the Trust Documents; and (iii) is willing to execute necessary documentation as stipulated by the FME in accordance with the Trust Documents.
“ETFs”	means exchange traded funds.
“FATCA Implementation Rules”	has the meaning ascribed to such term in paragraph 3 under the heading ‘ <i>FATCA / CRS Reporting</i> ’ of the Supplementary Information in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Financial Year” or “FY”	means the complete year of 12 (Twelve) months commencing from 1 st April of a calendar year and ending on 31 st March of the following calendar year.

“Fund Management Entity” or “FME”	means ‘PPFAS Alternate Asset Managers IFSC Private Limited’, having its registered office address at Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India appointed by the Trustee as the fund management entity to the Scheme under the Investment Management Agreement and is registered with the IFSCA as a Registered FME (Retail) under the IFSCA FM Regulations with registration number FDM2025FMR0814.
“FME Commitment”	has the meaning assigned to such term in paragraph 12 titled “ <i>FME Commitment</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“GIFT City”	means the Gujarat International Finance Tec-City.
“Government”	means any Indian central, state or local government authority, agency, branch or body or any instrumentality thereof or relevant applicable governmental authority, agency, body outside India.
“GST”	means goods and services tax.
“Guardian”	means either natural guardian that is father or mother, as the case may be or a court appointed legal guardian.
“IFSCA” or “IFSC Authority”	means International Financial Services Centres Authority established under the International Financial Services Centres Authority Act, 2019.
“IFSCA FM Regulations”	means the International Financial Services Centres Authority (Fund Management) Regulations, 2025 and various notifications, directives, circulars, guidelines and clarifications issued by IFSCA and includes any amendment issued from time to time or any modification or re-enactment thereof by IFSCA.
“Indemnified Persons”	has the meaning ascribed to such term in paragraph 27 under the heading ‘ <i>Indemnification</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Indenture”	means the indenture of trust dated July 14, 2025, executed by and between, the Settlor and the Trustee, for the creation of Scheme and registered under the provisions of the Registration Act, 1908, together with all annexures, schedules and exhibits, if any, as may be further amended, modified, reinstated or supplemented from time to time.
“Independent Valuer”	shall mean an independent service provider such as a fund administrator, a custodian, a credit rating agency registered with the IFSCA, a valuer registered with Insolvency and Bankruptcy Board of India or such other person as may be specified by the IFSCA, as may be appointed for carrying out valuation of Investments.
“Indian Rupees” or “Rupees” or “Rs.” or “INR”	means the currency of the Republic of India.
“Initial Offer Period”	has the meaning ascribed to such term in paragraph 6 under the heading ‘ <i>Initial Offer Period</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.

“Initial Settlement”	means a sum of USD 100 (United States Dollar One Hundred), being the initial amount irrevocably transferred or delivered by the Settlor to the Trustee towards creation of the corpus of the Scheme.
“Initial Subscription”	has the meaning ascribed to such term in paragraph 9 under the heading ‘ <i>Initial Subscription and Additional Subscription</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Institutional Investor”	means any applicable company, bank, pension or other fund, financial institution or other institutional body or entity or any other permissible body/entity/investor, but not including an individual.
“Interested Parties”	means the FME and its affiliate/group entities, directors, employees, shareholders and agents.
“International Financial Services Centre or IFSC”	means International Financial Services Centre located in the Gujarat International Finance Tec-City, Special Economic Zone, Gandhinagar, Gujarat.
“Investee Funds”	means such ETFs, UCITs or funds of like nature by whichever name called in their respective jurisdiction.
“Investee Fund Material Documents”	means such documents relating to the Investee Fund/s as the FME may declare as an Investee Fund Material Document.
“Investment Management Agreement”	investment management agreement entered into by and between the Trustee and FME on July 30, 2025 for advising, managing and administering the Trust, together with all annexures, schedules and exhibits, if any, as maybe further amended, modified, restated or supplemented from time to time.
“Investment/s”	means investments in the following instruments or entities in IFSC, India or foreign jurisdictions: (i) securities listed or to be listed or traded on stock exchanges; (ii) unlisted securities; (iii) money market instruments; (iv) debt securities; (v) securitised debt instruments, which are either asset backed or mortgage backed securities; (vi) units of other investment schemes subject to appropriate disclosures in the Offer Document; (vii) derivatives including commodity derivatives only for the purpose of hedging subject to suitable disclosures in the Offer Document (ix) exchange traded funds; (x) UCITs; and (ix) such other securities or financial products, instruments, assets and properties as may be specified by the IFSCA, subject to the IFSCA FM Regulations and Applicable Laws, as amended from time to time.
“Investor/s”	means the Eligible Persons each of whom have made an investment in the Scheme, in accordance with the subscription forms and Offer Document and shall include without limitation any Eligible Persons becoming transferees of Units in accordance with the provisions of the Offer Document.
“IPO”	means an initial public offering.
“IST”	means Indian standard time.
“IT Act”	means the (Indian) Income-tax Act, 1961 and rules framed thereunder, as may be amended, re-enacted, or replaced from time to time, along with all

	applicable rules, regulations, orders, by-laws, circulars, notifications, ordinances, policies, directions and the like issued thereunder.
“Long term post-Tax NAV”	has the meaning ascribed to such term in “SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS” of this Offer Document.
“Losses”	has the meaning ascribed to such term in paragraph 27 under the heading <i>‘Indemnification’</i> in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Malfeasance”	means with respect to any Person, any act or omission which results in a criminal conviction of such Person or which constitutes fraud, gross negligence or wilful misconduct as decided by a final non – appealable order of the highest court of competent jurisdiction.
“Management Fee”	has the meaning ascribed to such term in paragraph 19 under the heading <i>‘Management Fee’</i> in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Net Asset Value” or “NAV”	means the amount determined pursuant to this Offer Document and as listed out in “SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS” of this Offer Document. For the avoidance of doubt it is clarified that NAV shall include Long term post-Tax NAV and Short term post-Tax NAV (as applicable).
“Offer Document”	means this document by which the Scheme invites the public for subscription to the Units of the Scheme and also provides facilities for redemption, etc. read with any addendums issued thereunder.
“Operating Expenses”	has the meaning ascribed to such term in paragraph 20 under the heading <i>‘Total Expense Ratio’</i> in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Other Expenses”	has the meaning ascribed to such term in paragraph 20 under the heading <i>‘Total Expense Ratio’</i> in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“PAN”	means Permanent Account Number.
“p.a.”	means per annum.
“Person”	means and includes an individual, banks, insurance companies, bodies corporate, estates, family offices, pension funds, endowment funds, sovereign wealth funds, non-banking finance companies, societies, corporation, partnership (whether limited or unlimited), limited liability company, alternative investment funds, body of individuals, association, trust, proprietorship, institutional investors or any other institution, entity or organization, whether Indian or foreign, whether incorporated or not, including a government or an agency or instrumentality thereof and, where the context so requires, includes a reference to such Person’s, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns, permissible/eligible under the IFSCA FM Regulations to invest in a Retail Scheme from time to time.

“PML Norms”	has the meaning assigned to such term in paragraph 1 under the heading “ <i>AML/KYC</i> ” under Supplementary Information in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Principal Officer”	has the meaning ascribed to such term in “ SECTION II: GOVERNANCE STRUCTURE ” of this Offer Document.
“Receipt Date”	has the meaning ascribed to such term in paragraph 7 under the heading ‘ <i>Subscription / Offering Price</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Redemption Request”	has the meaning ascribed to such term in paragraph 14 under the heading ‘ <i>Redemption</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Redemption Price”	has the meaning ascribed to such term in paragraph 14 under the heading ‘ <i>Redemption</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Redemption Proceeds”	has the meaning ascribed to such term in paragraph 14 under the heading ‘ <i>Redemption</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Registered FME (Retail)”	has the meaning as ascribed to such term under Regulation 3(4)(c) of the IFSCA FM Regulations.
“Resident Indian”	shall have the meaning as ascribed to such term under the IT Act.
“RBI”	means the Reserve Bank of India.
“Retail Scheme”	means a retail scheme as defined under the IFSCA FM Regulations.
“Scheme”	means ‘ Parag Parikh IFSC S&P 500 Fund of Fund ’ which shall be launched as a Retail Scheme subject to the Applicable Laws.
“Settlor”	means ‘ PPFAS Alternate Asset Managers IFSC Private Limited ’, having its registered office address at Office No. 412, Pragya II, Block 15C1, Road 11, GIFT City, Gandhinagar – 382050, Gujarat, India.
“Short term post-Tax NAV”	has the meaning ascribed to such term in “ SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS ” of this Offer Document.
“SIP”	has the meaning assigned to such term in paragraph 10 titled “ <i>Systematic Investment Plan (SIP)</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“SWP”	has the meaning assigned to such term in paragraph 11 titled “ <i>Systematic Withdrawal Plan (SWP)</i> ” in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Scheme Expenses”	shall include the expenses of the Scheme as set out in the Offer Document.
“Set-up Costs”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Expense Ratio</i> ’ in “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.

“SEZ Act”	means the Special Economic Zones Act, 2005, as amended/modified and reinstated from time to time including the circulars and notifications issued pursuant thereto.
“Statement of Accounts or Unit Certificates”	means a statement/certificate issued by the Trustee or the FME to the Investors specifying the number of Units held by the Investors in the Scheme.
“Switch”	has the meaning ascribed to such term in paragraph 23 under the heading ‘ <i>Switch</i> ’ in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Tax” or “Taxes”	shall mean: (i) all forms of tax, levy, duty, surcharge, cess, impost, withholding tax, including income tax, tax collected at source, value added tax, goods & services tax, tax payable in a representative assessee capacity, minimum alternate tax, alternate minimum tax, or other amount whenever or wherever created or imposed by, or payable to any tax authority, whether due to past, present or potential obligations; and (ii) all charges, fees, interest, penalties and fines incidental or relating to any Tax falling within (i) above or which arise as a result of the failure to pay any Tax on the due date or to comply with any obligation relating to Tax. It is hereby clarified that Taxes shall include any goods and services tax payable by/chargeable to, the FME or any of its affiliates on account of any pay-outs or distribution by the Scheme to the FME or any of its affiliates.
“Temporary Investments”	has the meaning ascribed to such term in paragraph 28 under the heading ‘ <i>Temporary Deployment of Surplus Funds</i> ’ in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Total Expense”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Expense Ratio</i> ’ in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Total Expense Ratio”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Expense Ratio</i> ’ in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Trading Expenses”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Expense Ratio</i> ’ in “SECTION IV: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Trust Documents”	means the Offer Document, the Investment Management Agreement, the Indenture, application/subscription form and such other document designated as a Trust Document by the Trustee/FME, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any.
“Trust Property”	means the Initial Settlement and all other contributions, additions, and accretions thereto or any other Investments for the time being representing the same and income thereof (and the said sum of Initial Settlement).
“Trustee”	means “Axis Trustee Services Limited (GIFT City Branch)” , or such other Person that may be appointed under the terms of the Indenture.

“Trusteeship Fee”	has the meaning ascribed to such term in paragraph 18 under the heading ‘ <i>Trusteeship Fee</i> ’ under “ SECTION IV: PRINCIPAL TERMS OF THE SCHEME ” of this Offer Document.
“Unit”	means a unit of any Class, as evidenced by the Statement of Account specifying the unit(s) allotted to or held by the Investor and evidencing Beneficial Interest in the Scheme.
“USD”	means United States Dollars.
“Valuation Day”	means the Business Day on which NAV per Unit of the Scheme is calculated. The valuation frequency for Units of the Scheme will be held on a daily basis. Redemptions and subscriptions shall be undertaken on the Valuation Day.