

# OFFER DOCUMENT

MAY 2026

## MARCELLUS GLOBAL EQUITIES FUND

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

**FME Registration No. IFSCA/FME/III/2022-23/037**

**Registration No. / Authorisation No.: IFSC/Retail/2026-27/011**

**Trustee / Fiduciaries:** Catalyst Trusteeship Limited (acting through its branch in GIFT City)

**FME:** Marcellus Investment Managers Private Limited (IFSC Branch)

*This Offer Document has been prepared in accordance with the IFSCA FM Regulations and subsidiary directions issued thereunder. Marcellus Global Equities Fund (“**Scheme**”), an open-ended Retail Scheme is managed by Marcellus Investment Managers Private Limited (IFSC Branch), which is registered with IFSCA as a Registered FME (Retail), having the registration number IFSCA/FME/III/2022-23/037 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 Marcellus Investment Managers Private Limited (IFSC Branch)

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**Name:** Mr. Kalpesh Soni

**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.

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.

It is hereby clarified that the Scheme may not be registered, authorized, or otherwise approved for distribution in all jurisdictions. Investors residing outside the jurisdiction in which the Scheme is established acknowledge and agree that the Scheme may not be registered or recognized under the laws or regulatory framework of their country of residence. Accordingly, any regulatory protections, investor safeguards, or remedies available under the laws of such jurisdiction may not apply.

Any access to information relating to the Scheme, or any participation therein by such investors, shall be deemed to occur solely at their own initiative and responsibility. The Scheme is not being marketed, offered, or solicited to investors in jurisdictions where such marketing, offering, or solicitation would be unlawful or would require registration, authorization, or other regulatory approval that has not been obtained.

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:** Marcellus Investment Managers Private Limited (IFSC Branch)

**Contact Person:** Mr. Kalpesh Soni

**Communication Address:** Unit no. 431 and 432, Signature Building, Fourth Floor, Block no. 13B, Zone – 1, GIFT SEZ, GIFT City, Gandhinagar – 382 050, Gujarat, India.

**Email:** [gift.retail@marcellus.in](mailto:gift.retail@marcellus.in)

**PART A: DIRECTORY**

<b>FME</b>	<b>Marcellus Investment Managers Private Limited (IFSC Branch)</b>		
	<i>Registered address</i>	:	102, Boston House, Suren Road, Gundavali, Andheri East, Mumbai – 400 093, Maharashtra, India
	<i>Communication Address</i>	:	Unit no. 431 and 432, Signature Building, Fourth Floor, Block No. 13B, Zone -1, GIFT SEZ, GIFT City, Gandhinagar – 382 050, India
	<i>Tel</i>	:	+91 7405255335
	<i>Email ID</i>	:	<a href="mailto:compliance.gift@marcellus.in">compliance.gift@marcellus.in</a>
<b>Trustee / Fiduciaries</b>	<b>Catalyst Trusteeship Limited</b>		
	<i>Registered Address</i>	:	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411038, Maharashtra, India
	<i>Communication Address</i>	:	627, Hiranandani Signature, 6 <sup>th</sup> Floor, Block 13B, Zone 1, SEZ, GIFT City, Gandhinagar – 382 050, Gujarat, India
	<i>Mobile no.</i>	:	+91 9974734633
	<i>Email ID</i>	:	AIFGiftcity@ctltrustee.com
<b>Legal advisor</b>	<b>IC RegFin Legal Partners LLP</b>		
	<i>Address</i>	:	Units No. 409, 4 <sup>th</sup> Floor, PRAGYA Tower, GIFT SEZ, Gandhinagar – 382 050, Gujarat, India.
<b>Tax advisor</b>	<b>Ernst &amp; Young LLP</b>		
	<i>Address</i>	:	14 <sup>th</sup> Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India.
<b>Auditor</b>	<b>S.R. Batliboi &amp; Co. LLP</b>		
	<i>Address</i>	:	12 <sup>th</sup> Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India.
<b>Custodians / Global Custodians</b>	Interactive Brokers LLC		
	<i>Address</i>	:	One Pickwick Plaza, Greenwich, Connecticut 06830, United States
<b>Registrar and Transfer Agent (“RTA”)</b>	KFin Global Technologies (IFSC) Limited		

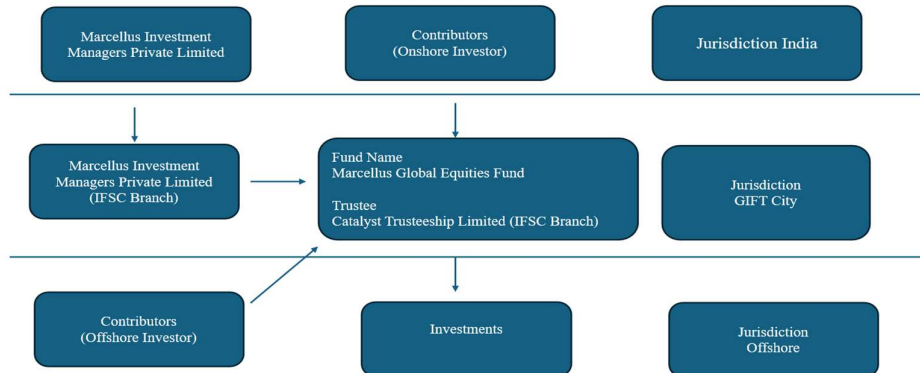
	<i>Address</i>	:	3 <sup>rd</sup> floor, Building 15C2, Flexone building by Waystar Properties LLP, Road 1C, GIFT city, Gandhinagar – 382050, Gujarat, India

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## SECTION I: SCHEME STRUCTURE

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



*Marcellus Investment Managers Private Limited (MIMPL) has established its IFSC Branch within GIFT City, operating under the name Marcellus Investment Manager Private Limited (IFSC Branch). The branch is registered as a Fund Management Entity (FME) – Retail with International Financial Services Centers Authority (IFSCA), the independent regulatory authority based in GIFT City.*

*As a part of its operations, MIMPL (IFSC Branch) is launching a Retail Scheme named ‘Marcellus Global Equities Fund’. This Scheme is designed to primarily invest in Portfolio Entities, in line with its investment objective.*

*Important Notice: This organizational diagram 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

‘**Marcellus Global Equities 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 Portfolio Entities operating within the investment objective as indicated in this Offer Document.

### The Trustee

The trustee of the Scheme is Catalyst Trusteeship Limited (“**Trustee**”), appointed pursuant to the Indenture. The Trustee is a branch in IFSC of Catalyst Trusteeship Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered address at GDA House, First Floor, Plot No. 85, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India. and branch office at 627, Hiranandani Signature, 6th Floor, Block 13B, Zone 1, SEZ, GIFT City, Gandhinagar – 382 050, 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**

‘**Marcellus Investment Managers Private Limited (IFSC Branch)**’, a company incorporated under the provisions of the Companies Act, 2013, having its registered office at 102, Boston House, Suren Road, Gundavali, Andheri East, Mumbai- 400 093, Maharashtra, India, and operating from its GIFT city branch office at Unit no. 431-432, Signature Building, Fourth Floor, Block no. 13B, Zone – 1, GIFT SEZ, GIFT City, Gandhinagar – 382 050, India, acts as the fund management entity of the Scheme. The FME is registered with IFSCA as a Registered FME (Retail) under the IFSCA FM Regulations bearing registration number IFSCA/FME/III/2022-23/037.

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.

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

### **Custodian**

Interactive Brokers LLC shall act as the Custodian to the Scheme.

### **Targeted Investors**

Targeted Investors of the Scheme are any persons permitted to invest in the Scheme under the Applicable Laws including 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, whether Indian or foreign, 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:*

‘**Catalyst Trusteeship Limited**’, a company incorporated under the provisions of Companies Act, 1956, having its registered office at GDA House, 1<sup>st</sup> Floor, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India and operating from its branch office at 627, Hiranandani Signature, 6<sup>th</sup> Floor, Block 13B, Zone 1, SEZ, GIFT City, Gandhinagar – 382 050, Gujarat, India, will act as a trustee of the Scheme.

#### 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.

The Trustee has set up an AIF facility unit at IFSC, GIFT City (Gujarat International Finance Tec-City) at Gandhinagar, Gujrat in August 2021 and it is the first debenture trustee to be registered with IFSCA and provides an end-to-end service for an AIF to provide a one-stop solution to the clients. The range of services being provided by the Trustee at GIFT City, IFSCA includes debenture/bond trusteeship, security/mortgage trusteeship, trustees to FME venture capital/private equity funds.

Presently handling trusteeship assignments having more than Rs. 30,00,000/- crores amounts under trust management across pan India. The Trustee is the first Non-Banking Private Sector Trustee Company. The Trustee is an ISO 9001:2015 certified company for their robust and sound processes. The Trustee is managed by qualified and well experienced executives.

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

##### 1. **Mr. Jayesh Dharmendra Pandit (Director)**

Mr. Jayesh Dharmendra Pandit is a practicing chartered accountant for more than two decades and a member of the committee of pension funds for the banking industry and has expertise in actuarial and valuation services for banks, insurance companies and commercial organizations.

##### 2. **Mr. Ravindra Prabhakar Marathe (Chairman)**

Mr. Ravindra Prabhakar Marathe was the former managing director and chief executive officer of Bank of Maharashtra. He was also an executive director of Bank of India for two years. He has a banking experience of more than three decades. He is a fellow of Indian Institute of Banking and Finance.

**3. Mr. Pravin Hari Kutumbe (Director)**

Mr. Pravin Hari Kutumbe is a qualified chartered accountant having an overall work experience of 33 years with Life Insurance of Corporation of India at different positions like chief investment officer and chief financial officer. He was a full-time member of the board of the Insurance Regulatory and Development Authority of India for three years and was also a director on the board of Tata Power Company Ltd., State Bank of India and Stockholding Corporation of India.

**4. Dr. Rewati Paithankar (Director)**

Dr. Rewati Paithankar is a practicing Chartered Accountant with an experience of more than 35 years of statutory audits, internal audits and Direct Taxes. He is a senior partner of M/s. Paithankar & Paranjape, Chartered Accountants. He is also an Expert Director on the board of Bhagini Nivedita Sahakari Bank Ltd., Pune since 2004 and presently chairperson of the Bank since 2022. He translated a few management /self-development books into Marathi.

**5. Mr. Umesh Salvi (Managing Director)**

Mr. Umesh Salvi has experience of more than 15 (fifteen) years of trusteeship activities. He spearheaded the growth strategies that have enabled the Trustee to reach the pinnacle in the domain of trusteeship business in the country. He has reputation of being 'an achiever-par-excellence', through impeccable work ethics, expertise, and insightful approach to resolving hurdles within the legislative and regulatory framework.

**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. The Trustee shall cause the FME to ensure that the Scheme is kept segregated from all other assets of the FME and that of the Trust and / or other trusts which may be managed by the FME. Further, the Trustee shall cause

the FME to ensure that all assets of each scheme are kept segregated from all the assets of the other schemes of the Trust.

**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 ensure that the money of the Scheme is invested to achieve the objective of the Scheme and in the interest of the Investors.
- (ii) The Trustee shall ensure that the assets and liabilities of each scheme are segregated and ring-fenced from other schemes of the FME; and bank accounts and securities accounts of each scheme are segregated and ring-fenced.
- (iii) The Trustee shall ensure that different activities of FME are carried at arm's length and interest of investor under one activity are not being compromised with those of any other scheme or of other activities of the FME.
- (iv) The Trustee shall have a right to obtain from the FME such information as is considered necessary.
- (v) The Trustee shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
- (vi) The Trustee shall obtain internal audit reports from independent auditors as and when deemed appropriate.
- (vii) The Trustee shall hold frequent meetings to ensure it discharges the various responsibilities under the IFSCA FM Regulations.
- (viii) The Trustee shall communicate in writing to the FME of the deficiencies and checking on the rectification of deficiencies.
- (ix) The Trustee shall ensure before the launch of this Scheme that it has:
  - (a) systems in place for its back office, dealing room and accounting;
  - (b) appointed all key personnel;
  - (c) appointed auditors to audit its accounts;
  - (d) designated a compliance officer who shall be responsible for monitoring the compliance of the IFSCA Act, rules and regulations, notifications, guidelines, instructions, etc., issued by IFSCA or the Central Government and for redressal of Investors' grievances;
  - (e) appointed fund administrators registered with IFSCA or capabilities to undertake such activities in-house by the FME;
  - (f) obtained, wherever required under the IFSCA FM Regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
- (x) The Trustee shall ensure that FME has not given any undue or unfair advantage to any Associates or dealt with any of the Associates of the FME in any manner detrimental to interest of the Investors.
- (xi) The Trustee shall quarterly review all transactions carried out between the schemes, FME and its Associates.
- (xii) The Trustee shall on a yearly basis review the net-worth of the FME to ensure compliance with the threshold provided in Second Schedule of the IFSCA FM Regulations on a continuous basis.
- (xiii) The Trustee shall ensure that the Trust Property is properly protected, held and administered by proper persons and by a proper number of such persons.

**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:***

‘**Marcellus Investment Managers Private Limited (IFSC Branch)**’, a company incorporated under the provisions of the Companies Act, 2013, having its registered office at 102, Boston House, Suren Road, Gundavali, Andheri East, Mumbai- 400 093, Maharashtra, India, and operating from its branch office at Unit no. 431-432, Signature Building, Fourth Floor, Block no. 13B, Zone – 1, GIFT SEZ, GIFT City, Gandhinagar – 382 050, acts as the FME for 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:***

**1. Mr. Saurabh Mukherjea**

Mr. Saurabh Mukherjea is the founder and chief investment officer of Marcellus Investment Managers Private Limited.

He was the former CEO of Ambit Capital Private Limited and has played a key role in its rise as a broker and a wealth manager. Prior to turning around Ambit Capital Private Limited, he was a co-founder of Clear Capital, a London based small-cap equity research firm which he and his co-founders created in 2003 and sold in 2008. He has written bestselling books: “Gurus of Chaos” (2014), “The Unusual Billionaires” (2016), “Coffee Can Investing: The low risk route to stupendous returns” (2018), “The Victory Project: Six Steps to Peak Potential” (2020), “Diamonds in the Dust: Consistent Compounding for Extraordinary Wealth Creation” (2021), and “Unfiltered: The CEO and the Coach” (2023). His new books titled “Behold the Leviathan: The Unusual Rise of Modern India” was launched in October 2024 and “**Breakpoint:** The Crisis of the Middle Class and the Future of Work” launch in March 2026.

**2. Mr. Rakshit Ranjan**

Mr. Rakshit Ranjan is the portfolio manager at Marcellus Investment Managers Private Limited. Rakshit manages the investments under the ‘*Consistent Compounder Portfolio Investment Approach*’. Besides fund management, he actively mentors the research team.

Rakshit spent 6 years from the year 2005 to 2011 covering UK equities with Lloyds Bank (director, institutional equity research) and execution noble (sector lead analyst). During these six years, he was ranked amongst the top 3 UK Insurance analysts (Thomson Reuters Emtel survey) in the mid-cap space. He launched Ambit Capital Private Limited's Coffee Can PMS in March 2017 and managed it till December 2018.

### **3. Mr. Subodh Hungund- Independent Director**

Mr. Subodh Hungund is a seasoned information technology (IT) leader with over 30 years of experience in the financial services industry, specializing in IT strategy, infrastructure management, and operations across asset management and wealth management sectors. Currently, serving as a Head – IT Practice, he has a proven track record in setting up businesses from scratch, implementing robust IT frameworks, and leading large teams to achieve organizational objectives. His expertise spans cyber security, business application deployment, and disaster recovery planning, backed by a bachelor's degree in electronics engineering from Mumbai University.

### **4. Ms. Sujal Patwardhan-- Independent Director**

Sujal Patwardhan is an accomplished entrepreneur and former human resource (HR) leader with over 14 years of corporate experience in financial and technology sectors. Since 2016, she has been the co-founder and director of Embarq Motorworld Pvt Ltd, a premium travel brand specializing in curated self-drive road trips across global destinations such as Scotland, New Zealand, Spain, Kyrgyzstan, and India. A passionate advocate for experiential travel, Sujal is dedicated to redefining road journeys and fostering a global community of explorers. Her prior career includes senior HR leadership roles at Ambit Holdings, Lehman Brothers, and Infosys, along with consulting assignments in organizational design and performance management. In her HR stint, she handled setting-up large business teams grounds up which can deliver multi-year business plans.

## **C. Key Managerial Personnel**

### **Principal Officer**

**Mr. Kalpesh Soni** 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**”). He has over 18 years of experience in trading, exchange operations, and financial markets. He currently leads the International Markets trading function at the FME, overseeing international trade execution, algorithmic order strategies, trading system testing, and operational reporting.

Previously, he worked with India International Bullion Exchange IFSC Limited (IIBX) as Manager – Trading & Operations, contributing to the development and launch of spot trading contracts and exchange trading systems. Prior to this, he was Associate Manager – Trading & Business Operations at India INX, managing trading operations, corporate actions, and global access client activities.

Earlier, he worked with Ahmedabad Stock Exchange Capital Market Limited in trading and operations for nearly a decade and began his career with Anand Rathi Securities Limited and Apollo Sindhoori Capital Investment Limited in securities dealing and business development.

### **Fund Manager**

**Mr. Prashant Mittal** is the additional key managerial personnel of the FME. He has extensive experience in investment research, thematic strategy, and emerging technologies across public markets and energy transition sectors. He currently serves as a Global Analyst at the FME, where he leads consumer sector research for the global strategy, covering segments such as luxury, housing, food & beverages, and consumer staples.

Previously, he worked with Customized Energy Solutions India Pvt. Ltd. as an Investment Analyst, advising clients on investments in renewables, energy storage, and the electric vehicle ecosystem, and supporting startups on fundraising and investor engagement. He also worked with Ambit Capital Pvt. Ltd. as AVP – Institutional Equities, leading portfolio strategy and emerging technology research, including themes such as energy transition, electrification, and technological disruption.

Earlier, he worked with Nomura Holdings Inc. in Global Markets, focusing on structuring and risk management of fixed income derivatives for global trading desks. He has also undertaken consulting assignments with Mana Ventures on climate-focused energy and food transition themes and with PricewaterhouseCoopers on profitability and resource optimization for a major U.S. fuel retailer.

### **Compliance Officer**

Ms. Ekta Shukla is the compliance officer of the FME and in this capacity, she plays a strategic role in managing regulatory compliance, corporate governance, and operational support (“**Compliance Officer**”). She has experience in compliance, corporate secretarial functions, and regulatory governance across financial services and corporate sectors. She is currently part of the Compliance team at the FME, where she monitors regulatory compliance, supports implementation of AML and internal policies, assists in safeguarding unpublished price sensitive information, and works with the group compliance team and principal officer on regulatory matters.

Previously, she served as Company Secretary and Head – Compliance at StockHolding Securities IFSC Limited, where she was responsible for compliance under the Companies Act, IFSCA, SEBI, PMLA, SEZ and depository regulations, along with handling secretarial functions and supporting regulatory audits and reporting.

Earlier, she worked as Company Secretary at Dholera International Airport Company Limited, managing corporate and regulatory compliances. Prior to this, she was Company Secretary & Compliance Officer at Macpower CNC Machines Limited, where she played a key role in the company’s IPO transition to a listed entity and managed SEBI, stock exchange, and corporate governance compliances.

### **Global investment team of the Marcellus group**

Marcellus' global investment team functions at the group level, drawing on expertise from varied locations to address key sectors in unison. The team comprises the head of global equities and global research, along with dedicated analysts and portfolio trader in the global investment team. They work with a shared commitment to uncover the global opportunities that enhance diversification, providing thoughtful insights and approaches for investors.

### **Arindam Mandal – Head, Global Equities (Marcellus International Investment Managers LLC)**

Arindam brings over a decade of global investing experience, including nearly 10 years at Principal Global Investors (PGI) in the United States, managing portfolios exceeding \$5 billion in assets.

Starting as a quantitative analyst, he advanced to lead fundamental equity research on U.S., global industrials, utilities, and emerging markets, including India public equities across PGI's \$100 billion+ platform. Previously, he served as lead software engineer at Oracle Corporation.

As head of global equities, he leads analysis of global companies across sectors, develops investment strategies, supports portfolio management, and drives alignment with strategic objectives.

*Qualifications:* B. Tech (First class with distinction), NIT Warangal; MBA (Highest honours in finance), Duke University Fuqua School of Business.

**Jaibir Singh Sethi – Head, Global Research (Marcellus Investment Managers Private Limited)**

Jaibir has joined Marcellus Investment Managers Private Limited from Premji Invest, India's largest family office, where he spent 9 years managing ~\$3 billion in listed equities, including 3 years as head of research. With more than 18 years in equities, he has deep expertise across consumer, retail, autos, hotels, airlines, and more, from prior roles at CLSA and Clear Capital.

As head of global research, he oversees comprehensive sector analysis, generates investment ideas, supports fund management, and ensures that research supports firm-wide strategic goals.

*Qualifications:* CFA Charterholder; B. Com (Hons.), St. Xavier's College, Kolkata; PGDM, IIM Bangalore.

The global team's combined strengths in global equities, research, and execution underpin a consistent and diversified investment approach.

**D. Investment Committee**

The Fund shall constitute and may re-constitute the investment committee ("**Investment Committee**") at the discretion of the FME in accordance with the Applicable Laws.

**E. Advisory Board**

*Not Applicable.*

**F. Advisory Committee**

*Not Applicable.*

*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
<b>Investment Objective</b>	The investment objective of the Scheme is to seek long-term capital appreciation through investment in a portfolio of global equities and equity-related instruments (including derivatives) that are listed/domiciled outside India or in GIFT City. The Scheme shall adopt a bottom-up investment strategy focused on identifying and investing in high-quality global businesses across sectors and geographies. There can be no assurance that the investment objective of the portfolio will be achieved.
<b>Category of Registration</b>	The Scheme is launched as an open-ended Retail Scheme under the IFSCA FM Regulations.

#### **Investment Strategy**

The Scheme intends to seek long-term capital appreciation through investment in a portfolio of global equities and equity-related instruments (including derivatives) that are listed/domiciled outside India or in GIFT City. The Scheme shall adopt a bottom-up investment strategy focused on identifying and investing in high-quality global businesses across sectors and geographies. There can be no assurance that the investment objective of the portfolio will be achieved.

The Scheme shall invest predominantly in listed global equities and equity-related instruments. However, the Scheme may, at the FME's discretion, allocate a portion to unlisted equity and equity-related securities/instruments, REITs, ETFs/index-linked instruments, or pooled vehicles or any other instruments as permissible under applicable laws for the exposure, market access, thematic opportunities, liquidity, or tactical purposes. It may also hold cash equivalents or money market instruments or other securities for liquidity or defensive needs in accordance with the IFSCA FM Regulations.

Instrument	Indicative Allocation (% of NAV)
Global Equity & Equity-related instruments (including derivatives)*	65%-100%
Cash & cash equivalents**	0%-35%

*\*Equity or equity related instruments includes equity stocks listed/domiciled outside India or in GIFT City, equity funds/ETFs focused thereon, equity derivatives, ETFs tracking commodities or any derivative thereof, REITs, ADRs/GDRs, pooled investment vehicles, convertibles, rights, warrants, preferred equities/stocks, etc., as permitted under Applicable Laws. Derivative instruments (including ETFs) may be used in accordance with applicable regulatory guidelines including for hedging or for such other purposes as may be prescribed by IFSCA.*

*\*\*Cash and cash equivalents includes fixed income (bonds, debentures, NCDs, G-Secs, debt funds/ETFs), commodities/currency derivatives, REITs, InvITs, or other permitted instruments (listed/unlisted) in GIFT City or outside India, plus money market instruments, fixed deposits, liquid schemes, etc., as per Applicable Laws.*

*Due to market conditions, the FME may deviate from the above-mentioned indicative allocation of equity and cash & cash equivalents to protect Unit Holders' interests. In this regard, the FME will restore asset allocation in line with the asset allocation pattern within 30 (thirty) days from such deviation. In case the portfolio is not re-balanced within 30 (thirty) days of such deviation, justification*

*for the same shall be recorded in writing and will be placed before the Investment Committee. The Investment Committee will then decide on the further course of action.*

### **Investment universe and geographic allocation**

The investment universe of the portfolio is global in nature and includes companies listed in developed markets such as the United States, Europe, Japan, Australia, Canada etc., as well as other developed or emerging international jurisdictions as may be permissible from time to time. Geographic allocation is determined based on the availability of suitable investment opportunities, liquidity considerations, regulatory frameworks, and relative risk-reward dynamics.

The Scheme may also derive indirect exposure to emerging market growth through multinational corporations, ETFs that are available on US/Europe or other markets generating revenues across diverse geographies.

### **Sector Allocation**

Sector allocation is an outcome of bottom-up stock selection rather than top-down sector calls. The portfolio may invest across sectors including industrials, healthcare, technology, consumer, financial, and business services. Exposure to sectors characterised by structurally weak return ratios, elevated earnings cyclicality, or governance concerns may be limited. This active management positions the Scheme to seize growth amid trends while mitigating economic fluctuation risks.

### **Investment Philosophy**

The portfolio is premised on the belief that long-term shareholder wealth creation is driven by ownership of businesses that are capable of compounding earnings and free cash flows through economic cycles. Accordingly, the investment approach emphasises companies with reasonable returns on invested capital, strong free cash flow generation, pricing power, scalable business models, and prudent financial leverage.

In addition to financial metrics, significant emphasis is placed on qualitative factors such as management capability, governance standards, and capital allocation track record. The FME evaluates how management teams deploy capital across organic reinvestment, mergers and acquisitions, capital expenditure, and shareholder distributions, with a preference for companies demonstrating disciplined and value-accretive allocation frameworks.

### **Derivatives Strategy**

The Scheme may use equity derivatives (e.g., index/stock futures, put-call options) or ETFs for purposes of hedging to manage risks from stock-specific, sector specific or market corrections, enhancing portfolio efficiency in accordance with the IFSCA FM Regulations or for such other purposes as may be prescribed by IFSCA. Currency derivatives may hedge exchange rate fluctuations to protect returns.

### **Other Securities**

The Scheme may invest in other securities (as outlined in the investment strategy) for parking funds temporarily during large subscriptions/redemptions until deployed in equities or returned to investors or temporarily favouring stable assets amid rate hikes, geopolitics, or crises or for any other reason suitable to protect the interest of the unitholders/investors. These are indicative, not exhaustive; investments shall align with IFSCA FM Regulations as applicable from time to time.

## **Investment Process**

The process features stages for opportunity evaluation, prudent construction, and continuous monitoring.

Idea generation: Identifies prospects via proprietary research, industry analysis, and global equity screening - focusing on Return on invested capital, earnings visibility, free cash flow, balance sheet strength, competitive edges, plus management quality and governance.

Due diligence and valuation: Deep dives include financial analysis, earnings/cash flow modeling, industry/regulatory review, and stakeholder interactions. Intrinsic value uses Discounted Cash Flow, multiples, and peers.

## **Portfolio construction and risk monitoring**

Portfolio construction is undertaken with a focus on maintaining a portfolio of high-conviction investments. Position sizing is determined based on conviction levels, valuation comfort, liquidity considerations, and contribution to overall portfolio risk.

The Portfolio may utilise internal risk monitoring frameworks to assess factor exposures, style balance, geographic exposures, sector concentrations, and macro sensitivities. Outputs from such frameworks may inform adjustments in portfolio weights, Exchange Traded Funds exposures, derivative overlays, or cash allocations.

## **Ongoing monitoring and review**

Investments are subject to continuous monitoring following inclusion in the Portfolio. This includes periodic review of financial performance, earnings revisions, capital allocation decisions, industry developments, and valuation changes. The FME also monitors competitive dynamics, regulatory developments, and broader macroeconomic indicators that may influence the risk-reward profile of portfolio holdings.

Portfolio reviews are conducted at regular intervals to assess alignment with the investment objective and to evaluate relative risk-reward across investments.

## **Exit strategy and portfolio rebalancing**

The portfolio follows a dynamic exit and rebalancing framework. Investments may be reduced or exited under circumstances including, but not limited to, realisation of intrinsic value, deterioration in business fundamentals, adverse capital allocation decisions, governance concerns, structural changes in industry dynamics, or availability of superior investment opportunities.

Partial exits or trimming of positions may occur where valuations move materially above intrinsic value estimates or where position sizes exceed internal risk thresholds. Conversely, position sizes may be increased where valuation comfort improves or where conviction strengthens based on updated diligence.

Portfolio rebalancing may also be undertaken to maintain diversification across sectors and geographies, manage liquidity requirements, or align the portfolio with evolving market conditions and risk assessments.

## **Risk factors**

Investments under the portfolio are subject to risks including capital market risk, currency risk, liquidity risk, geopolitical risk, regulatory risk, financial risk and concentration risk. Global investments may

also be exposed to variations in accounting standards, taxation regimes, and political environments across jurisdictions. Past performance may or may not be sustained in the future and is not indicative of future returns. For detailed information, please refer to the **Chapter VI: Risk Factors of the Offer Document**.

## SECTION IV: INVESTMENT RESTRICTIONS

The Scheme, as a Retail Scheme, shall make investments subject to the following restrictions, as well as others as required by IFSCA from time to time:

- 1) The Scheme shall not invest more than 15% (fifteen percent) of its total AUM in unlisted securities. Provided that this limit shall not be applicable in case of investments by the Scheme in unlisted securities issued by an investment fund which is open ended in nature and is regulated by the concerned regulatory authority in its home jurisdiction and is permitted for offering to retail investors in its home jurisdiction.
- 2) The Scheme shall not invest more than 10% (ten percent) of its AUM in securities of a single company provided that the Scheme may invest up to 15% (fifteen percent) of its AUM in securities of a single company with the prior approval of the fiduciaries. The Scheme has received prior approval from the fiduciaries to invest up to 15% (fifteen percent) of its AUM in securities of a single company.

Provided further that the limit on investment in 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% (fifteen percent), whichever is higher:

Provided also that fund of funds schemes shall be permitted to invest in other scheme(s) if such scheme(s) meets the requirement under the IFSCA FM Regulations.

- 3) The Scheme shall not invest more than 25% (twenty five percent) of its AUM in a single sector.

Provided that in the case of the financial services sector the amount shall not exceed 50% (fifty percent) of the AUM of the scheme.

Provided further that the limit on sectoral caps shall not apply in case of a sectoral or thematic or an index scheme.

Provided also 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% (twenty five percent) of their AUM, or 50% (fifty percent) of their AUM in case of financial services sector or when such scheme(s) are sectoral or thematic or index scheme(s). (Note: GICS Industry classification<sup>1</sup> or such other classification as may be decided by the FME, shall be considered for determining sector limits.)

- 4) The Scheme shall not invest more than 25% (twenty five percent) of its AUM in an 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).

- 5) The minimum size of the Scheme shall be USD 3 Million (United States Dollars Three Million) provided that the Scheme may commence its investment activities upon receiving at least USD 1 Million (United States Dollars One Million) from investors and it shall receive at least USD 3 Million (United States Dollars Three Million) from investors within 12 (twelve) months from the

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<sup>1</sup> The FME shall endeavor to intimate the Investors of the Scheme in case of any change in the classification to determine sector limits as part of its periodical reports. GICS refers to Global Industry Classification Standards.

date of authorization/communication from the IFSCA, that the Offer Document has been taken on record.

- 6) The Scheme shall adhere to directions regarding areas such as operational standards, conduct of business rules, prudential requirements, restrictions on redemption and conflict of interest as may be specified by the IFSCA from time to time.
- 7) The Scheme shall not borrow except to meet temporary liquidity needs for the purpose of redemption.

Provided that the Scheme shall not borrow more than 20% (twenty per cent) of the AUM and the duration of such borrowing shall not exceed a period of 6 (six) months.

Provided that in case of any passive breach of the borrowing restrictions provided above, the FME will take corrective action(s) to comply with the prescribed borrowing limits within 90 (ninety) days from such breach. In case such breach is not corrected within 90 (ninety) days, the justification for the same shall be recorded in writing and will be placed before the Investment Committee. The Investment Committee will then decide on the further course of action.

- 8) The Scheme shall invest in derivatives only for hedging purposes or for such other purposes as may be prescribed by IFSCA, subject to suitable disclosures in the offer document in accordance with the IFSCA FM Regulations.
- 9) Any other restrictions as may be specified under the IFSCA FM Regulations from time to time.

## SECTION V: 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.*

<b>1.</b>	<b>CORPUS OF THE SCHEME</b>	<p>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.</p> <p>The Scheme may commence investment activities upon achieving a minimum corpus of USD 1,000,000 (United States Dollars One Million); provided that the Scheme shall achieve a corpus of minimum USD 3,000,000 (United States Dollars 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.</p> <p>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.</p>
<b>2.</b>	<b>SCHEME OFFERING</b>	<p>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.</p>
<b>3.</b>	<b>BENCHMARK</b>	<p>The performance of the Scheme will be benchmarked against the S&amp;P 500 Net Total Return Index (Primary Benchmark) and the S&amp;P World Net Total Return Index (Secondary Benchmark).</p> <p>The FME believes that the above benchmarks are most suited as per the investment objective and strategy as specified in this Offer Document.</p> <p>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.</p>
<b>4.</b>	<b>TARGET INVESTORS</b>	<p>Targeted investors of the Scheme are any persons permitted to invest in the Scheme under the Applicable Laws, including 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, whether Indian or foreign, as classified in terms of the IFSCA FM Regulations and other permissible Investors under Applicable Laws.</p> <p><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 “<b>SECTION V:</b></p>

		<b>PRINCIPAL TERMS OF THE SCHEME</b> ” for subscription of Units of the Scheme.						
<b>5.</b>	<b>PLANS AND OPTIONS</b>	<p>Initially, the Scheme shall issue the following Classes of Units:</p> <table border="1"> <thead> <tr> <th><b>Class of Units</b></th> <th><b>Description</b></th> </tr> </thead> <tbody> <tr> <td><b>Class A Units</b></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><b>Class B Units</b></td> <td>To the investors investing in the Scheme through Placement Agent/s and 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 Dollars One Hundred).</td> </tr> </tbody> </table> <p>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.</p> <p>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 a fair and reasonable manner. <u>For the avoidance of doubt, any liability, expense, cost, charge or reserve that is specifically attributable to a Contributor or a particular Class of Units shall not be attributable to another Contributor or the holders of another Class of Units.</u></p> <p>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”.</p>	<b>Class of Units</b>	<b>Description</b>	<b>Class A Units</b>	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).	<b>Class B Units</b>	To the investors investing in the Scheme through Placement Agent/s and 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 Dollars One Hundred).
<b>Class of Units</b>	<b>Description</b>							
<b>Class A Units</b>	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).							
<b>Class B Units</b>	To the investors investing in the Scheme through Placement Agent/s and 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 Dollars One Hundred).							
<b>6.</b>	<b>INITIAL OFFER PERIOD</b>	The initial offer period of the Scheme shall not go beyond 12 (twelve) months from the date of receipt of acknowledgment/authorization/approval from IFSCA taking the Offer Document on record or on receipt of a minimum corpus of at least USD 1,000,000 (United States Dollars One Million), whichever is earlier (“ <b>Initial Offer Period</b> ”).						

		<p>The Scheme may commence its investment activities upon receipt of a minimum corpus of at least USD 1,000,000 (United States Dollars One Million) and shall achieve a corpus of at least USD 3,000,000 (United States Dollars Three Million) (or any such minimum amount as prescribed under IFSCA FM Regulations) from Investors within 12 (twelve) months (or such other timeline as prescribed under IFSCA FM Regulations) from the date of receipt of acknowledgment/authorization/approval from IFSCA taking this Offer Document on record.</p> <p>The FME at its discretion may extend the Initial Offer Period, in accordance with the IFSCA FM Regulations.</p> <p>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 “<b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b>” of this Offer Document.</p>
7.	<b>SUBSCRIPTION / OFFERING PRICE</b>	<p><i>Initial Offer Period:</i> 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).</p> <p>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. Units will not be allotted unless the FME is satisfied that the requisite documentation 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.</p> <p>Units will not be allotted to the Investors unless the FME is satisfied that cleared funds in USD and completed ‘know your client’ documentation or such other information and documentation as may be required by the FME, have been received by the FME before the cut-off timings as stated above.</p> <p><i>Expiry of Initial Offer Period:</i> 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 and upon sharing 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).</p> <p>Such documentation should be received by the RTA/FME with a scanned copy to the FME/RTA via email to <a href="mailto:gift.retail@marcellus.in">gift.retail@marcellus.in</a> latest by 2.00 p.m. (IST) on the relevant Valuation Day. The FME, at its sole discretion, may process applications received after the cut-off time, on a case-by-case basis.</p> <p>Units will not be allotted to the Investor unless the FME is satisfied that cleared funds in USD and completed ‘know your client’ documentation or such other information and documentation as may be required by the</p>

		<p>FME, have been received by the FME before the cut-off timings as stated above.</p> <p>After the expiry of the Initial Offer Period, Investors shall be issued Units at the applicable post-Tax NAV (inclusive of Tax on unrealised gains) calculated for the relevant Valuation Day on which the subscription application is considered for processing.</p> <p>If the cleared funds are not received by the FME latest by 2.00 p.m. (IST) on the relevant Valuation Day, then the application will be held over to the next Valuation Day and Units will then be issued to such Investor at the post-Tax NAV (inclusive of Tax on unrealised gains) calculated on the next Valuation Day.</p> <p>Notwithstanding the above, the FME may modify the abovementioned timelines and may accept an application for subscription of Units anytime at its own discretion.</p> <p>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 Scheme should be equivalent to the minimum initial subscription applicable to the respective Class of Units, as prescribed under this Offer Document.</p> <p>Default Option:</p> <p>Where Application Forms are received for Class B Units without capturing the Placement Agent details appropriately / incorrectly, the Units of Class A shall be allotted.</p> <p>Subject to the Applicable Law including the foreign exchange regulations, subscriptions by minors shall be made as follows:</p> <ul style="list-style-type: none"> <li>(i) Where the Investor is a minor, the Investor's Application Form along with the relevant 'know your client' ("KYC") 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.</li> <li>(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.</li> <li>(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.</li> <li>(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</li> </ul>
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		<p>as required) and proof of the Guardian’s relationship with the minor must be provided by the Guardian to the FME.</p> <p>(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.</p> <p>(vi) Upon attaining majority, the minor in whose name the investment was made and the Guardian, shall immediately inform the FME of such change. The minor and the Guardian 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.</p>
8.	<b>PURCHASE OF UNITS</b>	<p>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 Placement Agents, from the office of the FME, from the RTA and/or from the website i.e. <a href="https://marcellus.in/">https://marcellus.in/</a> 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.</p> <p>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 NAV in accordance with the Offer Document, would be the time when the request for purchase/sale/switch of Units is received in the servers of FME as per the terms and conditions of such online transaction facility.</p> <p>Such documentation should be received by the FME/RTA with a scanned copy to the FME/RTA <i>via</i> email to <a href="mailto:gift.retail@marcellus.in">gift.retail@marcellus.in</a> latest by 2.00 p.m. (IST) on the relevant Valuation Day.</p> <p>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 30 (Thirty) 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.</p> <p>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.</p>

		<p>Any fractional values shall be rounded down to 3 decimal places.</p> <p>Payment for Units of the Scheme must be effected by wire transfer only to the bank account detailed in the Application Form or through any other mode as may be decided and communicated by the FME from time to time.</p> <p>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.</p> <p>Duly completed applications received and accepted by the FME on the relevant Valuation Day are unconditional and irrevocable by the Investor. Units of the Scheme will be held in inscribed form and confirmation will be sent to the applicant upon receipt of cleared funds, duly completed Application Form and acceptance of such funds by the Scheme.</p> <p>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.</p>						
9.	<p><b>INITIAL SUBSCRIPTION AND ADDITIONAL SUBSCRIPTION</b></p>	<p>Subject to the IFSCA FM Regulations, the Initial Subscription for each Investor shall be as follows (“<b>Initial Subscription</b>”)</p> <table border="1" data-bbox="571 1251 1357 1738"> <thead> <tr> <th><i>Class of Units</i></th> <th><i>Minimum Initial Subscription*</i></th> </tr> </thead> <tbody> <tr> <td><b>Class A Units</b></td> <td>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><b>Class B Units</b></td> <td>USD 5,000 (United States Dollars Five Thousand)</td> </tr> </tbody> </table> <p><i>*The Minimum Initial Subscription shall be inclusive of remittance and conversion charges charged by the bank (if any).</i></p> <p>For any additional purchase of Units, the minimum Additional Subscription shall be as follows (“<b>Additional Subscription</b>”):</p>	<i>Class of Units</i>	<i>Minimum Initial Subscription*</i>	<b>Class A Units</b>	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.	<b>Class B Units</b>	USD 5,000 (United States Dollars Five Thousand)
<i>Class of Units</i>	<i>Minimum Initial Subscription*</i>							
<b>Class A Units</b>	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.							
<b>Class B Units</b>	USD 5,000 (United States Dollars Five Thousand)							

		<i>Class of Units</i>	<i>Minimum Additional Subscription</i>
		<b>Class A Units</b>	USD 2,000 (United States Dollars Two Thousand)
		<b>Class B Units</b>	USD 2,000 (United States Dollars Two Thousand)
		<p>However, the FME at its discretion may prescribe any amounts as minimum Initial Subscription or Additional Subscription for each Investor, subject to the IFSCA FM Regulations. 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.</p> <p>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.</p> <p>It is hereby clarified that any investment made by the FME and/or its associates in excess of the minimum regulatory requirement prescribed under the IFSCA FM Regulations shall not be subject to any lock-in period or restrictions on redemption.</p> <p>It is hereby further clarified that after the expiry of the Initial Offer Period, Investors shall be issued Units at the applicable post-Tax NAV (inclusive of Tax on unrealised gains) calculated for the relevant Valuation Day on which the subscription application is considered for processing.</p>	
<b>10.</b>	<b>SYSTEMATIC INVESTMENT PLAN (SIP)</b>	<p>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.</p>	
<b>11.</b>	<b>SYSTEMATIC WITHDRAWAL PLAN (SWP)</b>	<p>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.</p>	
<b>12.</b>	<b>FME COMMITMENT</b>	<p>In accordance with the IFSCA FM Regulations, the FME or its Associates will invest at least 1% (one percent) of the AUM of the Scheme or USD 200,000 (United States Dollars Two Hundred</p>	

		<p>Thousand), whichever is lower, or such other amount as may be prescribed under the IFSCA FM Regulations (“<b>FME Commitment</b>”).</p> <p>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.</p> <p>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.</p> <p>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.</p>
13.	<p><b>TERM OF THE SCHEME AND TERMINATION</b></p>	<p>The Scheme is open-ended with no definite tenure and shall terminate in accordance with the Trust Documents.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• the Scheme exiting from all Investments and distributing the exit proceeds to the Investors (as applicable); or</li> <li>• the Scheme being wound up in accordance with the terms of the Indenture; or</li> <li>• If 75% (Seventy-five percent) of the Investors by value of their investment in the Scheme pass a resolution at a meeting of Investors or through circular resolution that the Scheme be wound up; or</li> <li>• The Trustee (in consultation of the FME) determines that the Scheme be wound up in the interests of the Investors; or</li> <li>• 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.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• The Scheme will continue for such period of time as may be necessary to liquidate existing Investments in an orderly manner;</li> <li>• 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</li> </ul>

		<ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>Once the Scheme liquidates, the proceeds accruing to the Investors shall be distributed in cash, after satisfying all liabilities (including any tax liabilities) of the Scheme in accordance with the Offer Document.</p>
14.	<b>REDEMPTION</b>	<p>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 (“<b>Redemption Request</b>”). Such documentation should be received by the FME/RTA with a scanned copy to the FME/RTA by email to <a href="mailto:gift.retail@marcellus.in">gift.retail@marcellus.in</a> by 2.00 p.m. (IST) on the relevant Valuation Day. If the Investor fails to submit the redemption form and the requisite documentation as required by the FME on the relevant Valuation Day, the redemption will be held over till the subsequent Valuation Day.</p> <p>A Redemption Request will be accepted and processed on the relevant Valuation Day, subject to the applicable Exit Charge (as defined below), if applicable. The minimum redemption amount shall be ‘any amount’ or ‘any number of units’ as requested by the investor at the time of Redemption Request.</p> <p>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, 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).</p> <p>The FME may enable various online facilities/electronic modes for effecting redemptions. Redemption Requests through online mode should be received on the servers of FME by 2.00 p.m. (IST) on the relevant Valuation Day or within such time period as may be decided by the FME, from time to time and 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.</p> <p>The redemption of any Unit on any particular Valuation Day shall be at the relevant Redemption Price. It is hereby clarified that the “<b>Redemption Price</b>” for the purpose of this paragraph shall be the applicable post-Tax NAV per Unit as on the Valuation Day. Unless redemptions have been suspended or delayed, each redeeming Investor will be paid on the relevant Valuation Day subject to availability of cash with the Scheme.</p> <p>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</p>

	<p>redemptions, and may effectuate only a portion of a requested redemption or may even suspend redemptions.</p> <p>The aggregate Redemption Price for all Units being redeemed shall be reduced by Exit Charges (as defined below, if applicable), reserves, Taxes (including provisions for withholdings and Taxes on Exit Charge, if any), 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 (“<b>Redemption Proceeds</b>”). 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 10 (Ten) Business Days of the Valuation Day.</p> <p>It is clarified that prior to effecting the payment of Redemption Proceeds to such alternative bank account, the FME or service provider appointed by 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 execute such declarations or undertakings as the FME may deem necessary to confirm the ownership and authenticity of the alternative bank account.</p> <p>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.</p> <p>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.</p> <p>Any fractional values shall be rounded down to 3 decimal places.</p> <p>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.</p> <p>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</p>
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register of Investors (if any) with respect to such Units and the FME will be required to carry out requisite compliances to that effect.

**Exit Charge**

Subject to above, the exiting Investors of the Scheme shall be charged an exit charge equivalent to 2% (two percent) of the Redemption Proceeds by the FME (“**Exit Charge**”), if any Redemption Request is received within 24 (twenty-four) months from the date of allotment of respective Units.

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 laws, or such refusal is considered necessary or appropriate to ensure the compliance by the Scheme or the FME with any Applicable Laws. The Exit Charge as stated above, shall be exclusive of all applicable Taxes (including GST, as applicable) and levies, if any (together with surcharge and additional surcharge, as may be applicable) leviable on such expense, the same to be borne by the respective Investor.

The Exit Charge so deducted will be credited to the Scheme.

The FME is entitled to retain some amount of money from any pre-Tax Redemption Proceeds to pay Taxes and may also transfer such retained money to a reserve which the FME may deem reasonably 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 *inter alia* 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 and not of the Contributors and it is clarified that the Taxes shall be discharged without taking into consideration specific attributes applicable to the Contributors. Such Tax shall not appear in Form 26AS of the Contributors.

Subject to the Applicable Law including the 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.

		<p>(iii) For any redemptions made from the 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.</p>
<p><b>15.</b></p>	<p><b>COMPULSORY REDEMPTION</b></p>	<p>The FME reserves the discretion to compel the removal of the Investor with not less than 10 (Ten) Business Days prior written notice for any of the following reasons:</p> <ul style="list-style-type: none"> <li>(i) The Investor ceases to be an Eligible Person; or</li> <li>(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</li> <li>(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</li> <li>(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</li> <li>(v) Change in residential status of the Investor from resident to non-resident as per the provisions of the IT Act.</li> </ul> <p>The FME reserves the right to redeem investments of Investor which are in excess of 25% (twenty five percent) of the AUM of the Scheme, to meet the regulatory requirements prescribed under IFSCA FM Regulations, subject to the provisions of paragraph 27 titled ‘<i>Minimum number of Investors</i>’ in this “<b>SECTION IV: PRINCIPAL TERMS OF THE SCHEME</b>”.</p> <p>The FME shall determine the exit price of the Units held by the Investor being compulsorily redeemed based on the post-Tax NAV calculated at the time 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 “<b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b>”. 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.</p> <p>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 distributions, if any which may be declared thereof prior to such redemption being effected).</p> <p>It is clarified that any onerous obligations incurred by the Scheme arising out of such compulsory redemption of Units (including any expenses</p>

		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.
<b>16.</b>	<b>DELAY / SUSPENSION OF REDEMPTION</b>	<p>The FME may suspend/delay 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:</p> <ol style="list-style-type: none"> <li>1) During which any of the stock exchanges or 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</li> <li>2) 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</li> <li>3) 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</li> <li>4) any period when the NAV of the particular Class of Units of the Scheme may not be determined accurately or otherwise; or</li> <li>5) 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</li> <li>6) 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</li> <li>7) 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</li> <li>8) any period when proceeds of the sale or redemption of the Investor cannot be transmitted to or from the Scheme's account; or</li> <li>9) 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</li> </ol>

		<p>10) in any other period when the FME, at its discretion, determines it to be in the interest of the Investors.</p> <p>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.</p> <p>In the event that there is a delay / 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.</p> <p>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.</p> <p>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.</p>
17.	<b>DIVIDEND TO INVESTORS</b>	The FME reserves the right to introduce options to pay dividend from the Class/ Sub class and details in this regard shall be accordingly provided to the Investors.
18.	<b>TRUSTEESHIP FEE</b>	For acting as the Trustee of the Scheme, and discharging its functions and responsibilities as the Trustee and settlor, the Trustee shall be entitled to receive a one-time fees of USD 2250 (United States Dollars Two Thousand Two Hundred Fifty) (“ <b>One-Time Trusteeship Fee</b> ”) and a recurring annual fee of USD 1400 (United States Dollars One Thousand Four Hundred) plus applicable Taxes (“ <b>Recurring Trusteeship Fee</b> ”), during the subsistence of the Scheme or such amount as may be mutually agreed between the FME and the Trustee from time to time. Such One-Time Trusteeship Fee shall form part of the Set-up Expenses and the Recurring Trusteeship Fee shall form part of the Operating Expenses.
19.	<b>MANAGEMENT FEE</b>	<p>As a consideration for the services to be rendered by the FME, the Scheme shall pay management fee to the FME (“<b>Management Fee</b>”).</p> <p>Such Management Fee shall accrue on a daily basis and shall be payable on monthly basis in arrears, on the aggregate pre-Tax NAV by holders of all Classes of at the rates as given below:</p>

		<table border="1" data-bbox="570 212 1356 390"> <thead> <tr> <th><i>Class of Units</i></th> <th><i>Rate (%) per annum</i></th> </tr> </thead> <tbody> <tr> <td><b>Class A Units</b></td> <td>1.00% (one percent)</td> </tr> <tr> <td><b>Class B Units</b></td> <td>1.75% (one point seven five percent)</td> </tr> </tbody> </table> <p>The Management Fee 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 Management Fee, the same to be borne by the Scheme and allocated to the holders of respective Classes of Units. The Scheme shall be required to withhold appropriate Taxes under the Applicable Laws from the Management Fee payable to the FME.</p> <p>It is hereby clarified that the Management Fee payable to the FME shall be part of the Total Expenses of the Scheme as detailed under paragraph 20 titled '<i>Total Fixed Fee Expense Ratio</i>' below.</p> <p>The FME may waive or reduce the Management Fee for a particular Investor/Class of Units subject to compliance with the Applicable Laws.</p>	<i>Class of Units</i>	<i>Rate (%) per annum</i>	<b>Class A Units</b>	1.00% (one percent)	<b>Class B Units</b>	1.75% (one point seven five percent)
<i>Class of Units</i>	<i>Rate (%) per annum</i>							
<b>Class A Units</b>	1.00% (one percent)							
<b>Class B Units</b>	1.75% (one point seven five percent)							
20.	<b>TOTAL FIXED FEE EXPENSE RATIO</b>	<p><b><u>Total Expense Ratio</u></b></p> <p>The Scheme shall bear expenses (including Management Fees and Operating Expenses incurred by the Scheme) ("<b>Total Expense</b>"), which shall accrue on a daily basis and shall not exceed the following caps, calculated based on its AUM:</p> <table border="1" data-bbox="570 1146 1356 1339"> <thead> <tr> <th><i>Class of Units</i></th> <th><i>Cap (%) per annum</i></th> </tr> </thead> <tbody> <tr> <td><b>Class A Units</b></td> <td>1.25% (one point two five percent)</td> </tr> <tr> <td><b>Class B Units</b></td> <td>2% (two percent)</td> </tr> </tbody> </table> <p>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.</p> <p>The Scheme shall be required to withhold appropriate Taxes under the Applicable Laws from the Total Expense payable to the FME.</p> <p>The Scheme's Total Expense shall <i>inter alia</i> include the following:</p> <ol style="list-style-type: none"> <li>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 Fees</i>' under this Section IV of this Offer Document.</li> <li>2. Operating Expenses of the Scheme as stated below.</li> </ol>	<i>Class of Units</i>	<i>Cap (%) per annum</i>	<b>Class A Units</b>	1.25% (one point two five percent)	<b>Class B Units</b>	2% (two percent)
<i>Class of Units</i>	<i>Cap (%) per annum</i>							
<b>Class A Units</b>	1.25% (one point two five percent)							
<b>Class B Units</b>	2% (two percent)							

### **Operating Expenses**

The annual operational expenses of the Scheme will be borne by the Scheme, at actuals and allocated to the holders of all Classes of Units, subject to a cap of 0.25% (zero point two five percent) p.a. of its daily AUM (“**Operating Expenses**”):

The Operating Expenses shall inter alia include the following:

- Costs involved in marketing of the Scheme;
- legal and professional expenses (including fees paid for legal opinions, if any) incurred in relation to the updating and negotiation of the Trust Documents or any other documents applicable to the Scheme;
- printing costs in relation to the Trust Documents;
- stamp duty and registration charges; stamp duty on issuance of Units (if applicable);
- Expenses incurred in the operation of the Scheme;
- Statutory, legal, accounting audit, 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;
- Set-up Costs (as defined below);
- Operating legal and statutory expenses;
- Due diligence expenses;
- Banking, broken-deal, registration, qualification, finders, depository 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;
- Recurring Trusteeship Fees;
- Costs of financial statements and other reports (including reports to Investors) and meetings of the FME;
- Communications, travel and other expenses;
- 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;
- Proportionate liquidation expenses of the Scheme;
- costs involved in marketing of the Scheme;
- costs directly attributable to the establishment of the Scheme and obtaining or maintaining various licenses, approvals and registrations, registration expenses;
- stamp duty and registration charges incurred with respect to formation of Scheme and execution of Trust Documents; and

- 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 Operating Expenses incurred by the Scheme in excess of the aforementioned annual limit shall be borne by the FME or, at the discretion of the FME, deferred to the Scheme and adjusted against the Operating Expenses in subsequent Financial Years, subject at all times to the applicable annual limit on Operating Expenses.

The Operating Expenses shall be exclusive of all applicable Taxes (including statutory levies and indirect taxes), other levies and borrowing costs.

It is further clarified that the Management Fee shall not form part of the Operating Expenses. The Operating Expenses of the Scheme shall be part of the Total Expense of the Scheme.

Any of the aforesaid Operating Expenses incurred by the FME shall be reimbursable by the Scheme to the FME.

**Set-up Cost:**

One-time set-up expenses shall be borne by the FME and attributable to the holders of all the Classes of Units (“**Set-up Expenses**”). It is hereby clarified that the Set-up Expenses shall be amortized in equal ratio over the period of the 60 (sixty) months from the expiry of Initial Offer Period.

The Set-up Expenses shall include the costs incurred towards the organization of the Trust and Fund, setting up and offering costs, legal fees and professional expenses incurred in relation to the preparation and negotiation of the Trust Documents, One-Time Trusteeship Fee or any other documents applicable to the Scheme in relation to the offering of Units pursuant to this Offer Document, establishment and registration expenses and such other costs directly attributable to the establishment of the Trust and Scheme and obtaining various licenses, approvals and registrations.

For the avoidance of doubt, it is hereby clarified that the Set-up Expenses shall form a part of the Operating Expenses.

**Other Expenses:**

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 by the Scheme or by the Trustee or the FME for and on behalf of the Scheme, including, without limitation (“**Other Expenses**”):

		<p><b>1. <u>Trading Expenses</u></b></p> <p>The trading expenses of the Scheme will be borne by the Scheme on actuals and allocated to the Scheme (“<b>Trading Expenses</b>”). The trading expenses / transaction expenses shall, <i>inter alia</i>, consist of the following:</p> <ul style="list-style-type: none"> <li>• Stamp duty charges (wherever applicable);</li> <li>• Brokerage and custody charges;</li> <li>• Securities Transaction Taxes (wherever applicable);</li> <li>• 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.</li> <li>• Statutory expenses incurred in acquiring, holding, selling or otherwise disposing of the Investments;</li> <li>• Custodian charges (volume based) and Depository charges;</li> <li>• Banking, registration, qualification, depository and similar fees or commissions; and</li> <li>• Costs and charges as imposed by stock exchanges.</li> </ul> <p>2. Taxes and other governmental charges levied against the Scheme;</p> <p>3. Expenses incurred in connection with any indemnification obligations; and</p> <p>4. Any litigation and any other extraordinary and non-recurring expenses.</p> <p>Such Other Expenses will be charged by the Scheme at actuals, over and above the Total Expenses.</p> <p>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.</p>
21.	<b>PLACEMENT FEES</b>	<p>The distributors, arrangers or placement agents (“<b>Placement Agent/s</b>”) may, at the discretion of the FME, charge a placement fee / distribution fee, as mutually agreed with the FME, of up to 2% (Two Percent) of the respective Initial Contribution of such Investors who are sourced through Placement Agent/s (“<b>Placement Fee</b>”).</p> <p>Class B Units will be allotted to Investors who are onboarded to the Scheme via Placement Agent/s and net amount shall be invested in the Scheme.</p> <p>The FME reserves the right to pay Placement Fee to Placement Agent/s either from the Scheme or as a part Management Fee.</p>
22.	<b>EXPENSES OF THE FME</b>	<p>The FME shall bear all its operational and administrative expenses post setting up of the Scheme and shall make its own provision for the following:</p> <ul style="list-style-type: none"> <li>a) Office space, salary and personnel cost;</li> <li>b) Office equipment;</li> </ul>

		<p>c) Regulatory compliance and reporting services; and</p> <p>d) Preparation of tax returns of the FME.</p>
23.	<b>TRANSFER/PLEDGE AND TRANSMISSION OF UNITS</b>	<p>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.</p> <p>The Investors may transfer/pledge their Units, rights or obligation with regard to the Scheme to a transferee/pledgee subject to the following requirements:</p> <p>a) The proposed transferee/pledgee is an Eligible Person;</p> <p>b) 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</p> <p>c) 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.</p> <p>The FME may decline to recognise and register any such transfer/pledge of Units in case of violation of Applicable Laws and transfer restrictions.</p> <p>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).</p> <p>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, placement agent etc (which may be concluded or pending investigation).</p> <p><b><u>Deceased Investor</u></b></p> <p>In the event of the death of an Investor (“<b>Deceased Investor</b>”), 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</p>

		<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
24.	<b>SWITCH</b>	<p>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.</p> <p>Switch will take place at the Redemption Price after considering all applicable taxes and fees.</p> <p>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.</p>

		<p>“<b>Switch</b>” 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.</p>
25.	<b>REINVESTMENT</b>	<p>The FME may, in its own discretion, retain an amount of up to 100% (One Hundred per cent) of realization proceeds from any realized Investments 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.</p>
26.	<b>GIVEBACK BY THE INVESTORS</b>	<p>Subject to the provisions of the Applicable Laws, the FME or Trustee, in prior consultation with the FME, may require an Investor to return dividends / 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, during and beyond the term of the Scheme.</p> <p>Subject to the provisions of the Applicable Laws including the Limitations Act, 1963, the IT Act, the obligation to return dividends/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.</p>
27.	<b>MINIMUM NUMBER OF INVESTORS</b>	<p>The Scheme shall have a minimum of 20 (twenty) investors (“<b>20 Investors Limit</b>”) and no single investor shall account for more than 25% (twenty five percent) of the AUM of the Scheme (“<b>25% Limit</b>”) (collectively referred to as the “<b>20/25 rule</b>”) and shall ensure compliance with the 20/25 rule within a maximum period of 6 (six) months from the closure of the Initial Offer Period.</p> <p>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 applicable post-Tax NAV.</p> <p>Post the Initial Offer Period, in case of breach of the 25% Limit of an Investor, a rebalancing period as may be determined by the FME in accordance with the IFSCA FM Regulations would be available and thereafter, the investor who is in breach of the rule, shall be given a notice of a period as determined by the FME in accordance with the IFSCA FM Regulations, 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 period would lead to automatic redemption on the applicable post-Tax NAV on the last day of the notice period of such excess Units.</p> <p>It is hereby provided that in case an FME compels an Investor to redeem its Units in order to comply with the 20/25 rule in accordance with the IFSCA FM Regulations, no Exit Charge shall be charged to such Investor.</p>
28.	<b>GATING RESTRICTIONS ON WITHDRAWAL OF UNITS</b>	<p>Notwithstanding anything under this Offer Document, in the event that the redemption form (and any other document prescribed by the FME) are received in relation to Valuation Day representing in aggregate more than 25% (Twenty Five Percent) (or such other percentage as the FME may determine from time to time) of the total number of Units in issue</p>

		<p>the Scheme on the Valuation Day, the FME is entitled to reduce the requests pro-rata amongst all Investors seeking to redeem on the relevant Valuation Day and process only sufficient redemption of Units which, in aggregate, amounting to 25% (Twenty Five Percent) of the Units then in issue.</p> <p>Exit of an Investor's holding is permitted, provided that it does not result in the size of the Scheme to reduce below the regulatory requirement as prescribed under the IFSCA FM Regulations. If any Redemption Request would result in the Scheme facing regulatory non-compliance, then the FME may disallow such a request or may require such holder to exit entirely.</p>
<b>29.</b>	<b>INDEMNIFICATION</b>	<p>The Scheme will indemnify and hold harmless the (i) FME, Settlor, Trustee and any of their respective officers, directors, shareholders, 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 ("<b>Indemnified Persons</b>") 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 ("<b>Losses</b>") except to the extent such Losses resulted from the Indemnified Person's Malfeasance.</p> <p>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.</p>
<b>30.</b>	<b>TEMPORARY DEPLOYMENT OF SURPLUS FUNDS</b>	<p>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 ("<b>Temporary Investments</b>").</p> <p>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.</p> <p>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.</p>
<b>31.</b>	<b>CURRENCY PRINCIPLES</b>	The functional currency of the Scheme shall be USD.
<b>32.</b>	<b>LEVERAGE</b>	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 prescribed under IFSCA FM Regulations.

33.	<b>REPORTING</b>	<p>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:</p> <ul style="list-style-type: none"> <li>(a) NAV on a daily basis i.e. on every Business Day (it may be hosted on website on the FME);</li> <li>(b) the portfolio of the Scheme on a quarterly basis within one month from the end of the quarter;</li> <li>(c) a monthly report providing information about their holdings in the Scheme 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);</li> <li>(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);</li> <li>(e) Any other material disclosure as considered required by the FME or the Trustee under the Applicable Laws shall be informed to Investor immediately.</li> </ul> <p>All the above referred reports/information shall be furnished to the Investors electronically by e-mail unless otherwise specified by the Investor.</p> <p>The NAV (post the requisite calculations and adjustments as provided in the Offer Document) will be published on the website of the FME within 3 (three) Business Days from the relevant NAV date, or earlier if available, owing to time zone differences across the markets in which the Scheme intends to make investments,.</p>
34.	<b>TAXATION</b>	<p>A summary of certain principal tax consequences applicable to the Scheme is set forth in “<b>SECTION X: LEGAL, REGULATORY AND TAX CONSIDERATIONS</b>” of this Offer Document.</p> <p>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.</p>
35.	<b>VALUATION</b>	<p>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.</p> <p>The Net Asset Value for each Class of Units as at the relevant Valuation Day shall be the market value of all the assets of each Class of Units less the liabilities of that Class of Units.</p> <p>NAV per unit shall be calculated as follows:</p>

		<p style="text-align: center;">Market or Fair Value of Scheme’s investments + Current Assets - Current Liabilities and Provisions</p> <hr/> <p style="text-align: center;">No. of Units outstanding under the Scheme</p> <p>NAV of the scheme will be rounded off to three decimal places.</p> <p>Calculation of net asset value (“<b>Net Asset Value</b>”/ “<b>NAV</b>”) would be done by an independent third-party service provider such as fund administrator / custodian / credit rating agency which is registered with IFSCA or a valuer registered with Insolvency and Bankruptcy Board of India and/or such other person specified by IFSCA. Such NAV shall be disclosed to the Investors on a daily basis (i.e. on every Business Day).</p> <p>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. <a href="https://marcellus.in/">https://marcellus.in/</a>.</p> <p>For more details, please refer to “<b>SECTION VI: DETERMINATION OF THE NET ASSET VALUE OF THE UNITS</b>” of this Offer Document.</p>
36.	<b>CUSTODIAN</b>	<p>The Interactive Brokers LLC, a company incorporated under the laws of the State of Connecticut, USA, regulated by the U.S. Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), having its principal office at One Pickwick Plaza, Greenwich, Connecticut 06830, United States and fulfils the necessary criteria to act as custodian in jurisdictions for which it operates as the Custodian/Global custodian for the Scheme.</p> <p>The Custodian / Global Custodian shall be responsible for safekeeping of securities of the Scheme.</p>
37.	<b>STATEMENT OF ACCOUNTS OR UNIT CERTIFICATE</b>	<p>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 within 5 (Five) Business Days from the date of receipt of the valid application/transaction along with subscription money.</p>
38.	<b>AMENDMENTS AND WAIVERS</b>	<p>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.</p> <p>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.</p> <p>It is hereby clarified that the FME shall have the power to remove any typographical/clerical errors and/or ambiguities/difficulties and make such changes as required to remove such typographical/clerical errors,</p>

		ambiguity/difficulty in this Offer Document though not affecting any of the rights/obligations/entitlements of the Contributors, without any approval from the Investors.
<b>39.</b>	<b>CONFIDENTIALITY</b>	The Investor shall maintain the confidentiality of any other information regarding the Scheme, the FME, their respective affiliates and their affairs, received by the Investor as a result of its status as an Investor to the Scheme, except as otherwise required under Applicable Laws and IFSCA FM Regulations, or as otherwise permitted by the FME.
<b>40.</b>	<b>GRIEVANCE REDRESSAL</b>	<p>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 Complaint Redressal Appellate Officer ('CRAO') for handling of complaints and appeals respectively.</p> <p>For further details, Investors can refer to complaint redressal policy available at website of the FME i.e., <a href="https://marcellus.in/">https://marcellus.in/</a> The FME shall dispose of complaint preferably within 15 (fifteen) days but ordinarily not later than 30 (thirty) days of acceptance of complaint and/or such other timelines as may be prescribed by IFSCA from time to time. If an 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 (twenty-one) days from the receipt of the decision from the CRO.</p> <p>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 <a href="mailto:grievance-redressal@ifsc.gov.in">grievance-redressal@ifsc.gov.in</a> preferably within 21 (twenty-one) days from the receipt of the decision from FME.</p> <p>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 accordance with the terms of the Application Form.</p>

## SUPPLEMENTARY INFORMATION

<b>1.</b>	<b>AML/KYC</b>	<p>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 “<b>PML Norms</b>”).</p> <p>Details of documents shall be specified in the Application Form.</p>
<b>2.</b>	<b>BANK MANDATE</b>	<p>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 of the bank account) and no third-party payment will be permissible for investment in the Scheme.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Original cancelled cheque having the First Holder Name printed on the cheque; or</li> <li>• Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application; or</li> <li>• Photocopy of the bank statement/bank passbook duly attested by the bank manager and bank seal preferably with designation and employee number; or</li> <li>• 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.</li> </ul>
<b>3.</b>	<b>FATCA / CRS REPORTING</b>	<p>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 (11<sup>th</sup> Amendment) Rules, 2015 notified by the Central Board of Direct Taxes (“<b>FATCA and CRS Implementation Rules</b>”) and under section 285BA of the IT Act.</p>

		<p>If the Scheme and/or the FME is required by Applicable Laws, including the FATCA and CRS 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.</p> <p>The provisions of the FATCA and CRS 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 and CRS Implementation Rules related information/ documentation/ declarations provided by them previously.</p> <p>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 recovery of tax or penalty, if any, levied on the scheme and/or take any other action/s in accordance with Applicable Laws.</p>
4.	<b>WHO CANNOT INVEST?</b>	<p>It should be noted that the following entities cannot invest in the Scheme:</p> <ul style="list-style-type: none"> <li>• Residents or Citizens of Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs).</li> <li>• United States Person (U.S. Person), corporations and other entities organized applicable laws of the USA and resident of Canada as defined under the applicable laws of Canada.</li> <li>• 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).</li> <li>• Such other investors as may be determined and informed by the FME from time to time.</li> </ul> <p>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.</p> <p>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</p>

		<p>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.</p> <p>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.</p>
<b>5.</b>	<b>NOMINATION</b>	<p>Investors who are subscribing to Units of the Scheme, shall submit either the nomination form as per the choice of the Investors. The requirement of nomination shall be optional for jointly held folio(s).</p> <p>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 will be rejected if the aforesaid non individual sign the nomination form.</p> <p>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.</p>
<b>6.</b>	<b>SHARING OF DETAILS</b>	<p>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.</p>
<b>7.</b>	<b>CONSENT PROCEDURE</b>	<p>In the event of any consent or approval required from the Investors under the terms of the Trust Documents and/or Applicable Laws, the FME shall circulate the relevant details of such proposal to all Investors through electronic means (unless otherwise specified).</p> <p>In this regard, a notice of 30 (thirty) calendar days shall be provided to the Investors. In the event, where no consent/dissent is received from an Investor within the aforesaid 30 (thirty) calendar day period, the same shall be construed as deemed consent/approval by such Investor. Where consent from 2/3rd of Investors by value is received (including any deemed consents/approvals, as aforesaid), the proposal shall be treated as approved and implemented.</p>

		Where requisite approval from Investors as stated above is not received, exit from the Scheme shall be provided to such dissenting Investors in accordance with paragraph 14 titled ' <i>Redemption</i> ' provided above, and the proposal shall be accordingly implemented.
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## SECTION VI: 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 as per the Applicable Laws including IFSCA FM Regulations.

### 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).

### Valuation principles used by the Scheme for valuation of Investments.

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 in the respective jurisdiction 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 (thirty) calendar days. However, in case of an extra ordinary 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 of Directors 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.

### Calculation of NAV

On Valuation Day, 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.

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 of Units as at the relevant Valuation Day shall be the market value of all the assets of each Class of Units less the liabilities of that Class of Units.

NAV per unit shall be calculated as follows:

Market or Fair Value of Scheme's investments + Current Assets - Current Liabilities and Provisions

No. of Units outstanding under the Scheme

NAV of the scheme will be rounded off to three 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 / credit rating agency which is registered with IFSCA or a valuer registered with Insolvency and Bankruptcy Board of India and/or such other person specified by IFSCA. Such NAV shall be disclosed to the Investors on a daily basis (i.e. on every Business Day).

### Illustration on Calculation of Pre-Tax and Post-Tax NAV for Subscription and Redemption

	<b>Direct</b>	<b>Regular</b>
Gross contribution from Unit Holder	10,000.00	10,000.00

Assumed to be 70% of total profits

14.95%  
39.00%

Less : Stamp Duty	0.50	0.50
Net contribution from Unit Holder	9,999.50	9,999.50
<b>Allotment NAV</b>	<b>10.00</b>	<b>10.00</b>
Units allotted to Unit Holder	999.95	999.95
MTM	1,999.90	1,999.90
Gross value	11,999.40	11,999.40
<b>Pre-Tax NAV</b>	<b>12.00</b>	<b>12.00</b>
Total Expense Ratio	1.25%	2%
Less : Expenses & Fees	149.99	239.99
Long Term Gains	1,399.93	1,399.93
Short Term Gains	599.97	599.97
Tax Provision on Long Term Gains	209.29	209.29
Tax Provision on Short Term Gains	233.99	233.99
Total Tax Provision	443.28	443.28
Net Asset Value (after tax and expenses)	11,406.13	11,316.13
<b>Net Asset Value per Unit</b>	<b>11.41</b>	<b>11.32</b>
<b>Post-Tax Subscription / Redemption NAV</b>	<b>11.41</b>	<b>11.32</b>

## SECTION VII: 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 Associates, affiliates/group entities, directors, employees, 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).

Conflicts of interest is a situation where the FME’s interests (including its directors, employees, etc.) are not aligned to the interests of the mandates, Funds under its ambit. The FME may face certain typical conflicts situations considering the client expectations, regulations and fiduciary duty owed to each client.

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 interest that the FME envisages during the operations of the Scheme, which includes conflicts arising at following levels:

- **At the level of employee of the FME**

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 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.

The employees or directors of the FME may hold personal investments in the Portfolio Entities. FME’s code of conduct for insider trading and personal trading ensures that employees do not enter into trades that are in conflict with that of the Fund/ mandates or that they do not create an unfavorable outcome for the Funds/mandates.

- **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**

Allocation of Investments: The FME will be subject to conflicts of interest in allocating investment opportunities among the Fund and mandates managed/advised by them. 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 directors 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. Further, the FME is giving non-binding investment advice to its associate company/ advisory client(s) / third party for most of the portfolios it will manage and the team providing the advise may manage the funds or provide the advises to other clients also. The FME, will endeavor to resolve any such conflicts in a reasonable manner taking into account, amongst other things, the investment objectives, strategy, investment guidelines and investment policies of each fund, the remaining un-invested capital of each scheme, the level of diversification of each scheme and regulatory or tax issues, 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/schemes or portfolio management services strategy.

Potential investment rejected for investments by the Scheme: The Interested Parties may provide investment opportunities that have been rejected by the FME after evaluation for investment by the Fund, to any third party for a fee/commission. Thus, once investment opportunities are rejected by the Fund, such investment opportunities may not be available to the Fund if pursued by the Interested Parties. The FME will maintain rationales for every trade recommended.

The FME may purchase investments from or sell investments to the Interested Parties. In such cases, conflicts may arise in determining the price and terms of the sale or purchase. Further, the Interested Parties and their personnel may have information about the investment policies and strategy that may assist the Interested parties willing to purchase from or sell investments to the Scheme.

Subject to the Applicable Laws, the FME may hold/trade proprietary investments that may appear to be in conflict with the Scheme/mandates/ clients' trades. The FME will ensure that rationales for trades that are not in line with its view with respect to investments held in the Scheme/mandates are maintained.

Cross trades between funds managed by the FME and mandates are avoided. If there are reasons for FME to believe that such trades are beneficial for clients of the respective funds/mandates, such trades may be carried out only after recording rationales for such trades. Such trades will be reported along with rationale to respective investment committee(s) or principal officer (in case of this Fund) for notice.

- **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/affiliates of other group entities who have expertise in investment strategy, 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, providing portfolio management services and intend to continue 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 affiliates may, from time to time, act as FMEs or portfolio managers or advisers to other entities, companies or funds other than the Trust/Fund. It is therefore possible that the FME and any of their 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 Portfolio Investments, including, without limitation, fees relating to 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 Portfolio Investments.

*Investments in which Interested Parties have interests:*

The Scheme may participate in Portfolio/ Entities in which Interested Parties have an existing investment or other interests, which may be on the same terms as the Scheme'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 for Portfolio Entities/advising-managing any portfolio/fund consisting of such securities/products etc.) which are/may in future be a part of the Scheme 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 FME 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 and those of Interested Parties 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 X: 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 VIII: 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.

### A. RISKS RELATED TO THE INVESTMENTS TO BE MADE BY THE SCHEME

#### **Equity market Risk**

The Scheme primarily invests in equity and equity-related instruments. Equity investments are subject to price volatility arising from company-specific developments, market sentiment, macroeconomic conditions, interest rate movements, inflation, geopolitical developments, and global economic cycles. Equity markets may experience sudden and significant declines.

#### **Global Investment Risk**

Investments in securities listed or domiciled outside India (including GIFT City) are subject to additional risks, including: (i) political, economic and social instability in foreign jurisdictions; (ii) changes in foreign laws, taxation, capital controls, or regulatory regimes; (iii) differences in accounting, auditing and disclosure standards; (iv) restrictions on repatriation of capital or profits; (v) market holidays, trading suspensions or settlement differences; (vi) increased custody and operational risks in cross-border transactions. Such risks may adversely affect the value and liquidity of investments.

#### **Investment in Listed Securities:**

The Scheme 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 Scheme will 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.

#### **Achievement of investment objective**

There can be no assurance that the Portfolio Entities 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 Portfolio Entities invests may fluctuate. Therefore, Portfolio Entities' 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 Scheme may be subject, without any notice to the investors, to more restrictive regulatory regimes. In such cases the Scheme will abide by these more restrictive requirements.

### **Geographic Risk**

If the Scheme focus its 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 Scheme 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 which is USD and the Investor's base currency which is INR. Any depreciation in the value of the Scheme's base currency relative to the INR may adversely impact the effective returns 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 Scheme may be restricted by trading volumes and settlement periods across various jurisdictions. 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 capital is not invested 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 Scheme's 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 Scheme.

### **Portfolio risk**

The Scheme 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 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 and its investment team who will make the decisions on behalf of the Scheme.

### **Performance risk of investee companies**

The investment performance of the Scheme will depend upon the performance of the 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 Scheme's 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.

### **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 will operate in a competitive market. This may result in substantial competition for investment opportunities. The FME of the Scheme may not be able to identify and successfully invest in sufficient number of high-quality investments. In addition, such competition may have an adverse effect on the length of time required to fully invest the Corpus of the Scheme. 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.

### **Investment in equity shares**

The Scheme will 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 Derivatives**

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

## **Investment in preferred instruments**

Investments in preferred stocks and equities in the United States or other jurisdiction are subject to market risk, equity risk, and issuer-specific risk arising from changes in economic conditions, interest rates, inflation, corporate performance, and investor sentiment. Preferred stocks generally rank junior to debt instruments and senior to common equity, may carry limited or no voting rights, and dividends are typically discretionary and may be suspended, deferred, or cancelled without constituting a default. The value of preferred stocks, particularly those with fixed dividend features, may be adversely affected by rising interest rates. Such investments are also exposed to credit risk, liquidity risk (including limited secondary market liquidity during periods of market stress), and concentration risk where exposure is skewed toward specific issuers or sectors. As the investments are denominated in U.S. dollars, investors may be subject to foreign exchange risk. Additionally, investments in overseas securities may expose the Scheme to foreign exchange risk, regulatory and tax risks (including withholding taxes), and settlement, custody, and operational risks, any of which may adversely impact the Scheme's returns.

## **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.

## **Availability and ability to acquire suitable investments**

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

## **Portfolio Risk**

The Scheme will have investments spread by asset type with varying exit horizons. 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. 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. Since the underlying investee companies are mainly unlisted companies the performance of these companies would be greatly dependent on the management of such companies. 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 is expected to ensure that the investments selected are aligned with the Scheme's risk and return objectives.

### **Risk associated with Emerging Markets**

Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

### **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 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 Scheme 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 NAV of the Scheme. Such restrictions may also reduce the liquidity of the Scheme and may cause a delay or suspension in redemptions.

### **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.

### **Risks upon disposition of investments**

In connection with the disposition of an investment, the Scheme may be required to make representations about the business and financial affairs (including tax) of the investee company typical of those made in connection with the sale of any business or may be responsible for the contents of disclosure documents under applicable securities laws.

### **Portfolio diversification risk**

The Scheme will make investments in accordance with this Offer Document 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.

### **High Portfolio Turnover**

The Scheme's investment strategy may result in a short holding period before investments are rolled over into new investments or sold. This will cause the recognition of any investment gains to the Scheme, on a more frequent basis than other investment strategies. Many of those gains will not likely qualify for the holding period needed for capital gains tax treatment. Therefore, taxable investors in this Scheme may have a greater need to pay regular taxes (out of their own resources or by requesting partial/complete exits) than compared to other investment strategies that hold investments longer. The turnover of the Scheme's portfolio also may generate substantial transaction costs, which will be borne by the Scheme, and indirectly by the Investors, regardless of its income.

### **Minority stake**

The Scheme 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 Scheme'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 Scheme does not participate in these follow-on rounds of funding, it may result in dilution of the stake held 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 and / or 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.

**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, (iii) cannot assess the terms of financing that will be used for the investment acquisition, if any, and therefore, (iv) 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 is reliant on information and data made available to it and/or its service providers. Although the team of the FME 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 relevant jurisdiction 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 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.

### **Derivatives Risk**

The Scheme may use equity and currency derivatives for hedging, efficient portfolio management, or tactical allocation purposes within the limits prescribed under Applicable Laws. The use of derivatives involves risks different from, and potentially greater than, those associated with investing directly in securities, including imperfect correlation between derivative instruments and underlying assets, counterparty risk, liquidity risk, margin requirements, and mark-to-market volatility. Hedging strategies may not be successful and may limit potential gains. While derivatives will not be used for speculative leverage, their use may nevertheless increase volatility and result in losses to the Scheme.

### **Environmental Risk**

The operations of investee companies in which the Scheme 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 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 Investment Management Agreement provides 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, arising in connection with the Investment Management Agreement, unless resulting from the Indemnified Person's Malfeasance.

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 subscription amount may be less than anticipated**

There is a risk that the Scheme may obtain subscriptions totalling less, and potentially significantly less, than the target size sought to be raised from investors. If the full amount of subscription is sought by the Scheme is not ultimately subscribed for, the amount and nature of investments contemplated by the Scheme may be adversely affected, the opportunity for diversification of the investments will be materially decreased, and the returns on those investments will likely be reduced as a result of allocating expenses among fewer investments. In addition, without broad diversification, the risk of loss to the Scheme is much greater.

## **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.

### **Limitation of investments**

Under the IFSCA FM Regulations, the investment limits of the Scheme are restricted. For further details, please refer to investment restrictions provided under Section IV: Investment Restrictions of this Offer Document.

### **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**

### **Risks pertaining to pandemics like situations**

The Scheme may be exposed to risks arising from pandemics, epidemics, or other widespread public health emergencies, including events similar to COVID-19 situations. Such events may result in significant disruptions to global and domestic economic activity, including restrictions on travel, limitations on business operations, workforce shortages, and interruptions in supply chains. These circumstances may adversely affect the operations, financial performance, and valuations of the investments made by the Scheme.

In addition, pandemics and similar events may contribute to increased market volatility, reduced liquidity in financial markets, and heightened uncertainty in the broader economic environment. Government responses to such events, including lockdowns, quarantine measures, fiscal or monetary interventions, and regulatory actions, may also affect the ability of portfolio companies to operate effectively or raise additional capital.

The duration, severity, and long-term economic and financial consequences of such public health emergencies remain inherently uncertain and may have a material adverse effect on the Scheme's investment activities, the performance of its portfolio investments, and the overall returns generated for the Investors.

### **Concentration risks of investments in a single jurisdiction**

The Scheme may have a significant portion of its investments concentrated in a single country or jurisdiction. Such geographic concentration may increase the Scheme's exposure to country-specific

risks, including, without limitation, changes in economic conditions, political developments, regulatory and legal frameworks, tax policies, currency fluctuations, and market conditions.

Any adverse developments in the jurisdiction in which the Scheme maintains substantial exposure, such as economic downturns, political instability, changes in government policies, or regulatory restrictions, may disproportionately affect the performance and valuation of the investment by the Scheme. In addition, measures such as capital controls, changes in foreign investment regulations, or restrictions on the repatriation of funds may impact the Scheme's ability to realize, exit, or distribute proceeds from its investments.

As a result, the Scheme's investment performance may be more susceptible to risks associated with developments in that particular country, which could have a material adverse effect on the value of the Scheme's investment activities and the returns to the Investors.

### **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.

### **Global financial market volatility and financial instability**

The fluctuations and uncertainties in the financial markets in the Greater China region 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 Greater China region 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

The section on Tax aspects is a summary of taxation law and practice in force in the relevant country(ies) at the date of this Offer Document and is subject to changes therein and is not exhaustive. Investors will be subject to risks and uncertainties associated with tax, which can be complex for all types of investors, including tax exempt entities. Levels and bases of taxation in the relevant countries may change. The tax consequences of an investment in the Fund are complex, and the full tax impact of an investment in the Fund shall depend on circumstances particular to each Unitholder and the additional peculiarities associated with respect to activities of each Portfolio Investment.

Alternative tax positions adopted by the income tax authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Scheme. Since the Scheme would distribute the surplus funds to the beneficiaries, if the funds available with the Fund are insufficient to meet the additional tax liability, if any, the Trustees reserves the right to collect/recover the additional tax liability from the Unitholders even beyond the term of the Trust.

The tax aspects of an investment in the Fund are complicated and each prospective investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. The Fund is not intended and should not be expected to provide any tax shelter. The Unitholders in the Fund are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Fund are subject to change, and tax liabilities could be incurred by the Fund as a result of such changes. The tax consequences of an investment in the Fund are complex, and the full tax impact of an investment in the Fund will depend on circumstances particular to each Unitholder. Alternative tax positions adopted by the income tax authorities could give rise to incremental tax liabilities in addition to the tax amounts already discharged by the Unitholders.

**Income re-characterization:** In case any income of the Fund is re-characterized as 'business income', such income shall be taxable on a net income basis at MMR i.e. 30 % (exclusive of applicable surcharge and education cess) in the hands of the Fund.

**General anti-avoidance rules and its impact on the Fund / Investors / Fund Investments and risks associated with it:** The GAAR provisions provide that an arrangement whose main purpose is to obtain a tax benefit and which also satisfies at least one of the four specified tests (i.e. arrangement is not in arm's length, misuse or abuse of tax laws, lacks or is deemed to lack commercial substance or not carried out for bona fide purpose) can be declared as an "impermissible avoidance arrangement". Further, the GAAR provisions, if invoked, could override the provisions of the applicable double-taxation avoidance agreement.

The provisions pertaining to GAAR are effective from financial year beginning on April 01, 2017 i.e. from Financial Year 2017-18 onwards. GAAR provisions empower the tax authorities to investigate and declare any such arrangement as an "Impermissible avoidance arrangement" and consequently,

confers upon the Tax authorities, the power to disregard entities in a structure, reallocate the income and expenditure between the parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa, and like.

The impact of these provisions on the taxability of the Fund/Unitholders/Portfolio Investments may vary based on specific facts of each case and thus, it may be difficult to provide the tax implications and risk associated in each case. Also, there is no established precedence on how GAAR will be implemented by the Indian tax authorities.

Risk associated with change in tax laws and renegotiation of tax treaties: The Tax laws and its interpretation relevant to the Fund are subject to change, and Tax liabilities could be incurred by Investors as a result of such changes. Any change in the Fund's taxation on account of change in in taxation legislation in India could affect the value of the Fund's investments and the Fund's ability to achieve its investment objective or alter the post-Tax returns to the Contributors. Statements in this Offer Document concerning the taxation of Contributors are based upon current tax law, current tax treaties and practice, which laws and practice are in principle subject to change that could adversely affect the ability of the Fund to meet its investment objective. Further, the information relating to Indian taxation legislation contained in this Offer Document is based on Indian domestic taxation law along with the rules and regulations made thereunder and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes in the current tax law, which could also be retrospective, could have an effect on the validity of the information stated herein. Beneficiaries are subject to a number of risks related to Tax matters and are urged to consult their own tax advisers with respect to their particular tax situations and the tax effects of an investment in the Fund.

Risk associated with change in administrative interpretation/application of Tax laws: The Fund will operate under applicable taxation laws including the Income Tax Act, 2025, which may be amended or re-enacted from time to time, Goods and Services Act, etc., which may put adverse tax implication on the Fund. If policy announcements or regulations are made subsequent to this offering, which require retrospective changes in the structure or operations of the Fund, these may adversely impact the performance of the Fund.

Please refer to the “**Taxation of the Scheme**” under “**SECTION X: 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
<p><b><u>Tracking Error:</u></b> 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.</p>	<p>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.</p>
<p><b><u>Liquidity risk:</u></b> 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.</p>	<p>As such the liquidity of securities that the Scheme invests into could be relatively low. The Scheme will try to maintain a proper asset-liability match to ensure redemption payments are made on time.</p>
<p><b><u>Market Risk:</u></b> 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</p>	<p>Market risk is inherent to an equity scheme. Being a passively managed scheme, it will invest in the securities included in its underlying index.</p>

## SECTION IX: RISK PROFILING FOR VARIOUS INSTRUMENTS

Instruments	Definition	Risk Profile
Equity Securities	Equity instruments which are listed on recognized stock exchange for purchase and sell.	High
Equity Derivatives - Futures	Futures are standardized financial contracts that obligate the buyer to purchase, or the seller to sell, a specific quantity of an underlying equity asset at a predetermined price on a future date. These instruments are traded on exchanges, providing market participants with opportunities for hedging, speculation, and portfolio management. Futures contracts are leveraged instruments, requiring margin deposits and subject to daily mark-to-market settlement.	High
Equity Derivatives - Options	Options are financial contracts that grant the holder the right, but not the obligation, to buy (call option) or sell (put option) a specific quantity of an underlying equity asset at a predetermined price on or before a specified expiration date. Options provide flexibility for hedging, speculation, and strategic portfolio management. These instruments are traded on exchanges and involve a premium paid by the buyer to the seller, with the risk and reward determined by the movement of the underlying asset.	High
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: <ol style="list-style-type: none"> <li>1. TREPS,</li> <li>2. Treasury Bills,</li> <li>3. Government securities, and</li> <li>4. Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time.</li> </ol>	Low

American Deposit Receipts (ADR)	American Depositary Receipts (ADRs) are negotiable securities issued by a U.S. depositary bank representing ownership of shares in a foreign company. ADRs facilitate the trading of foreign stocks in U.S. markets without the need for investors to directly hold the underlying foreign shares. Each ADR typically represents one or more shares of the foreign company's stock, and they are traded on U.S. stock exchanges like regular stocks. ADRs provide U.S. investors with easier access to international investment opportunities and allow foreign companies to raise capital from U.S. investors without listing their shares on U.S. stock exchanges.	High
Global Deposit Receipts (GDR)	Global Depositary Receipts (GDRs) are negotiable financial instruments issued by international depositary banks representing shares in foreign companies. These receipts facilitate the trading of these shares on international stock exchanges, typically in Europe and Asia, without the need for investors to directly hold the underlying foreign shares. GDRs provide a way for companies to access global capital markets and for investors to diversify their portfolios with international stocks. Each GDR represents a specific number of underlying shares and offers benefits like simplified trading and potential exposure to global growth opportunities.	High
REITs & InvITs	A REIT raises funds by issuing units to investors and invest those funds primarily in assets in real estate sector. The investment in such assets can be made directly or through SPV/Holding Company. The income generated from the underlying assets of the REIT are regularly distributed to the unit holders.	Medium
	An InvIT raises funds by issuing units to investors and invests those funds primarily in assets in infrastructure sector. The investment in such assets can be made directly or through SPV/Holding Company by the InvIT. Investors who hold units in an InvIT are called unit holders. The income generated from the underlying assets of the InvIT are regularly distributed to the unit holders.	Medium
Preferred Stocks/Preferred Instruments	Preferred stocks are hybrid securities that combine features of both equity and debt instruments. They represent an ownership interest in a company and are classified as equity on the issuer's balance sheet, while typically providing investors with fixed or scheduled dividend income that is generally higher and more stable than dividends on common equity. Preferred shareholders rank senior to common shareholders but junior to debt holders in the company's capital structure, giving them a higher claim on assets in the event of liquidation. Preferred stocks generally carry limited or no voting rights.	Medium

Convertible Instruments	Convertible instruments, including convertible debentures and compulsorily convertible preference shares, are securities that may be converted into equity shares at predetermined terms, and their value is linked to the performance of the underlying equity.	High
Global Access Products (GIFT IFSC exchanges)	Global access products are instruments that provide exposure to international securities through trading on exchanges located in GIFT IFSC, enabling investors to access global markets without directly investing in overseas jurisdictions. These instruments may track or represent underlying foreign securities and are subject to market, currency, and regulatory risks.	High

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 X: 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. IN ADDITION TO THE LAWS PROVIDED IN THIS SECTION, INVESTMENTS BY THE SCHEME, 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.**

**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 MARCH 2026, 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 soundtrack 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 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 fund management entity 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.

*Provided* that where a Fund Management Entity operating in the form of branch is required to take prior approval from the sectoral regulator in its principal place of operation, it shall inform IFSCA, within 15 (fifteen) days thereof.

- 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 monies, 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 IFSCA FM Regulations, 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. Further, 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 (2/3<sup>rd</sup>) 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; in such manner as specified by IFSCA.
- 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.
- 8) The FME and the fiduciaries shall comply with the disclosure requirements as specified above or as may be specified by IFSCA.

### 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.

### 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, such appointment may be made within twenty four (24) months from the date IFSCA (Fund Management) (Amendment) Regulation, 2026, during which period the FME may appoint an independent custodian in India, or any foreign jurisdiction, which is regulated by the financial sector regulator in that jurisdiction and make necessary arrangement to provide such information to IFSCA whenever directed to do so.
- 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 open-ended scheme: The FMEs may list its open-ended schemes on 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 of the FME 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.
  - c) If the FME has raised funds from the investors under the scheme but fails to achieve the minimum corpus during the validity or extended validity of the placement memorandum or offer document, as applicable, and the FME has not extended the validity thereof by making the requisite filing and payment of fee to IFSCA.
  - d) When no investors have been onboarded into the scheme and no funds have been collected and the FME voluntarily desires to wind up the same.
- 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

1. Every FME registered under the IFSCA shall submit information to the IFSCA on a quarterly basis in the prescribed format.
2. The quarterly report shall include quantitative information about the fund management operation of the FME, which shall be submitted in an editable excel file.

- i. A 'compliance report', the signed copy of which shall be submitted as a scanned PDF file.
- ii. The report shall be submitted to IFSCA by email.

### 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:

<b>Indian entity</b>	<b>ODI in foreign entity</b>	<b>Subject to the financial commitment limit, reporting and documentation as per the OI Rules/Regulations and other applicable provisions as under</b>
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**

THE FOLLOWING DISCUSSION SUMMARIZES CERTAIN INDIAN TAX CONSIDERATIONS GENERALLY RELEVANT TO PROSPECTIVE INVESTORS CONSIDERING TO MAKE AN INVESTMENT IN THE SCHEME. THE DISCUSSION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL THE RELEVANT TAX CONSIDERATIONS; NOR DOES IT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX COSTS, INCIDENCE AND RISKS INHERENT IN MAKING AN INVESTMENT IN SCHEME. THE DISCUSSION ALSO DOES NOT DEAL WITH ALL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO SPECIFIC INVESTORS OR CLASSES OF INVESTORS ESPECIALLY IN LIGHT OF THEIR UNIQUE CIRCUMSTANCES AND THEIR PARTICULAR TAX STATUS. NEITHER THE SCHEME, THE FMENOR ANY OTHER PERSON INVOLVED IN THE PREPARATION OF THIS OFFER DOCUMENT ACCEPTS ANY RESPONSIBILITY FOR ANY TAX EFFECTS OR LIABILITIES RESULTING FROM THE PURCHASE, OWNERSHIP OR DISPOSITION OF SHARES/ ANY OTHER SECURITIES BY THE SCHEME.

ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN PROFESSIONAL ADVISOR AS TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SCHEME. IT IS THE RESPONSIBILITY OF ALL PROSPECTIVE INVESTORS INTERESTED IN SUBSCRIBING TO UNITS IN THE SCHEMETO INFORM THEMSELVES AS TO ANY INCOME OR OTHER TAX CONSEQUENCES ARISING, AS WELL AS ANY FOREIGN EXCHANGE OR OTHER FISCAL OR LEGAL RESTRICTIONS THAT ARE RELEVANT IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF UNITS OF THE SCHEME. PROSPECTIVE INVESTORS SHOULD STRICTLY CONSULT THEIR OWN TAX ADVISORS CONCERNING THEIR INDIVIDUAL TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

IN ADDITION, THE COMMENTS HEREIN ARE NOT BINDING ON THE INDIAN TAX AUTHORITIES AND THERE CAN BE NO ASSURANCE THAT THE AUTHORITIES WILL NOT TAKE A POSITION CONTRARY TO ANY OF THE COMMENTS HEREIN.

THE FOLLOWING SUMMARY IS BASED ON THE LAW AND PRACTICE OF THE INDIAN INCOME-TAX ACT, 2025 (ITA), AS MAY BE AMENDED OR RE-ENACTED FROM TIME TO TIME, READ WITH INCOME-TAX RULES, 2026 (ITR). THE ITA IS AMENDED EVERY YEAR BY THE FINANCE ACT OF THE RELEVANT YEAR. THE TAX RATES PROVIDED IN THIS OFFER DOCUMENT ARE AS PER THE CURRENT PROVISIONS OF THE ITA. THE TAX RATES MENTIONED HEREIN ARE THE RATES IN FORCE FOR TAX YEAR 2026-27. THE FOLLOWING SUMMARY HAS BEEN UPDATED FOR ANY AMENDMENTS BY THE FINANCE ACT, 2026.

*For the purpose of this section, the terms “investors”, “unitholders” and “contributors” have been used interchangeably, unless otherwise specified.*

### **Basic framework**

The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year, as well as the nature of the income earned. The Indian tax year runs from April 1 of every year to March 31 of the subsequent year. A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions/ deductions, which are available under ITA. A person who is treated as non-resident for tax purposes is generally subject to tax in India only on such person’s Indian-sourced income.

### **Surcharge and education cess**

The rates of income-tax shall be increased by the following surcharge on income-tax and education cess on income-tax and surcharge:

For the Tax Year 2026-27	Surcharge on income-tax
Resident companies with income exceeding: <ul style="list-style-type: none"> <li>• INR 10 million but less than INR 100 million</li> <li>• INR 100 million</li> </ul>	7% 12%
Resident companies opting for taxation under section 200 (erstwhile section 115BAA) and section 201 (erstwhile section 115BAB) of the ITA	10%
Non-resident companies with income exceeding: <ul style="list-style-type: none"> <li>• INR 10 million but less than INR 100 million</li> <li>• INR 100 million</li> </ul>	2% 5%
Firm/ Limited Liability Partnership (“LLP”) with total income exceeding INR 10 million	12%
Resident, non-resident individuals, association of person, body of individual and Artificial juridical person with total income: (including dividend income and capital gains under section 196 (erstwhile section 111A), section 197 (erstwhile section 112) and section 198 (erstwhile section 112A) of the ITA) exceeding INR 5 million but less than INR 10 million	10%
Resident and non-resident Individuals, association of person, body of individual and Artificial juridical person with total income (including dividend income and capital gains under section 196 (erstwhile section 111A), section 197 (erstwhile section 112) and section 198 (erstwhile section 112A) of the ITA) exceeding INR 10 million but less than INR 20 million	15%
Resident and non-resident Individuals, association of person, body of individual and Artificial juridical person with total income (excluding dividend income and capital gains under section 196 (erstwhile section 111A), section 197 (erstwhile section 112) and section 198 (erstwhile section 112A) of the ITA) exceeding INR 20 million but less than INR 50 million(Refer note 1 below)	25%
Resident and non-resident Individuals, association of person, body of individual and Artificial juridical person with total income (excluding dividend income and capital gains under section 196 (erstwhile section 111A), section 197 (erstwhile section 112) and section 198 (erstwhile section 112A) of the ITA) exceeding INR 50 million (Refer note 1 below)	37%

Note 1- The Finance Act, 2022 introduced surcharge rate for long-term capital gains on any assets (including unlisted securities) arising to an individual, HUF or AOP is to be capped to 15%. Further, for taxpayers being in the form of AOPs (where its member comprise of companies only), surcharge is capped at the rate of 15%.

Note 2- As per Finance Act, 2026 buyback of shares to be taxed as Capital Gains in the hands of the shareholder.

Note 3 - In addition to the surcharge, health and education cess is chargeable at 4% on income-tax and surcharge.

Note 4 : The new tax regime introduced in the Finance Act, 2020 for Individual, HUF, AOP and other assessee(other than co-operative) is to be the default regime. The highest surcharge rate is 25% for income above INR 2 crore for Individual, HUF, AOP and other assessee (other than co-operative),

under the new regime. However, highest rate of surcharge would remain at 37% opting for the old tax regime.

### **Taxation of the Scheme**

The Scheme is a determinate trust constituted under the Indian Trusts Act, 1882 and is proposed to be registered with the IFSCA as a open-ended Scheme (Retail) scheme.

Section 11 read with schedule VI (erstwhile Section 10(4D)) of the ITA provides for exemption of specified income in the hands of a retail scheme, being a specified fund. One of the conditions for qualifying as specified fund is that all the units of the retail scheme in IFSC, other than unit held by a sponsor or manager, are held by non-residents. In the present case, the scheme will be primarily pooling capital from resident investors to invest in identified non-Indian securities. Hence, the provisions of Section 11 read with schedule VI (erstwhile section 10(4D)) of the ITA may not be applicable to the Scheme.

The scheme will be governed by the general provisions for taxation of a trust under the ITA. Sections 97 to 98 (erstwhile sections 61 to 63) and sections 304 to 307 (erstwhile sections 161 to 164) of ITA provide for the general principles for taxation of a trust.

#### *Revocable vs irrevocable transfer*

A transfer of an asset is considered revocable when the transfer document (e.g. contribution agreement) contains a provision for:

- i) the re-transfer, directly or indirectly, of the whole or any part of the income or 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 97 to 98 (erstwhile sections 61 to 63) of the ITA, then the beneficiaries would be liable to tax on the income attributable to such revocable contributions. In such case, the income should first be computed at the Scheme-level and the same should be taxed in the hands of the beneficiaries.

The Scheme proposes to take a position that contributions made to the trust do not qualify as revocable transfers and as such would be offering income to tax on the basis that the income of the trust is taxable under the ITA in accordance with the provisions of section 304 to 307 (erstwhile sections 160-164) of the ITA.

### **In case the Scheme is considered as irrevocable vis-à-vis its beneficiaries and determinate vs indeterminate trust**

A trust is considered a determinate trust under the ITA if it fulfils the following two conditions:

- Name of the beneficiaries are expressly stated in the Indenture and are identifiable as such on the date of Indenture of trust; and
- Individual share of the beneficiaries are expressly stated in the Indenture and are ascertainable as such on the date of the Indenture.

In case the Scheme qualifies as a determinate trust, the trustee of the Scheme shall be assessed as a representative assessee of the beneficiaries under Section 304 of the ITA (erstwhile section 161) of the ITA. Tax shall be levied on and payable by the trustee in the like manner and to the same extent as it would be leviable of the beneficiaries i.e. the manner, rates and mechanism of taxation as applicable to the beneficiaries shall apply vis-à-vis share of income of each beneficiary.

Once the income is taxed in the hands of the trustee (as a representative assessee), there should not be any further tax implications on subsequent distribution of the said income by the trustee in the hands of the beneficiaries, subject to Minimum Alternate Tax ('MAT') implications discussed below for corporate beneficiaries. However, it should be noted that the tax authorities may assess the income directly in the hands of beneficiaries under section 304 of the ITA (erstwhile section 166) of the ITA, if not already assessed in the hands of the trustee.

Even if the tax authorities tax the beneficiaries directly under section 304 of the ITA (erstwhile section 166) of the ITA, the taxes, if any, paid (whether by way of allocation of taxes or otherwise) by the trustee in their capacity as a representative assessee and on behalf of the beneficiaries, should, in principal, 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 as per MAT provisions.

As a corollary, an indeterminate trust would be the one which does not satisfy either of the conditions mentioned above.

Based on the ruling rendered by Authority for Advanced Rulings ('AAR') in the case of AIG<sup>[1]</sup>, a trust may be considered as determinate where the instrument of trust specifies the categories of beneficiaries in the trust and prescribed 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 sought. Further, Karnataka High Court judgement in case of India Advantage Fund VII<sup>[2]</sup> states that where the trust deed sets out the manner in which the beneficiaries are to be ascertained and the share which each of them would be entitled to, it cannot be said that the trust deed has not named the beneficiaries.

In case the trust does not meet criteria of determinate trust as specified above, it would be considered as a discretionary (indeterminate) trust and the trustee could be taxable at Maximum Marginal Rate ('MMR')<sup>[3]</sup> under section 307 (erstwhile section 164) of the ITA.

### **CBDT Circular on determinate v. indeterminate trust**

The Central Board of Direct Taxes ('CBDT'), vide Circular No. 13/2014 dated 28 July 2014 stated that in case where the names and beneficial interest of the investors are not known/ explicitly mentioned in the trust deed on the date of creation of the trust, then the trustee of such trust would be required to discharge the taxes at trust level as a representative assessee of the trust at the MMR. It is also clarified in the circular that in such cases, since the corresponding income has already been taxed in the hands of the representative assessee, the same shall not be taxed again in the hands of the Contributors/ Investors.

### **Tax rates applicable to Scheme on various streams of income.**

The investors may primarily earn income through the Scheme from the following streams:

- Interest income;
- Dividend income;
- Gains on transfer of securities (other than specified buy-back);
- Gains on specified buy-back of shares;

The tax rates applicable where Scheme is regarded as a determinate trust are provided below:

#### *Interest and Dividend*

Interest and Dividend shall be taxed in the hands of the Scheme at the 30% (plus applicable surcharge and cess).

### *Taxability on redemption/ transfer of Securities*

Gains arising from the transfer of securities held in a portfolio company may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such securities were held as a capital asset or trading asset (i.e. stock-in-trade).

Historically, 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 gains”. 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 31-8-1989 and Circular No. 4/2007, dated 15-6-2007) in respect of characterisation of gains as either capital gains or business income. Following are the key illustrative factors indicative of capital gains characterisation (not business income):

- Intention at the time of acquisition – capital appreciation
- Low transaction frequency
- Long period of holding
- Shown as investments in books of accounts (not stock in trade)
- Use of owned funds (as opposed to loan) for acquisition
- Main object in constitution document is to make investments
- Higher level of control over the investee company

Regarding characterisation of income from transactions in listed shares and securities, the Central Board of Direct Taxes (“CBDT”) had issued a clarification vide Circular No. 6 of 2016 dated February 29, 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as business income from transfer of its trading assets. However, as regards the securities sold within 12 months there is a risk that the tax authorities could characterise the said income as ‘business income’.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted shares would be considered under the head ‘Capital Gains’ irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

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

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

Where the gains are treated as “capital gains”, the taxability will be as under:

As per Section 67 (erstwhile Section 45) of the ITA, any profits or gains arising from the transfer of capital assets are chargeable to income-tax under the head ‘capital gains. Section 72 (erstwhile section 48) of ITA provides that income chargeable as capital gains is the difference between the full value of the consideration received or accrued on the transfer and the cost of acquisition of such asset plus expenditure in relation to such transfer.

### Period of holding

Type of instrument	Period of holding immediately preceding the date of transfer	
Overseas Securities	More than 24 months	Long-term Capital Asset
	24 months or less	Short-term Capital Asset

### Taxation of the gains thereon<sup>[4]</sup>:

Nature of Income	Tax rate (%)
Short-term capital gains	At applicable rates; 30% at the max
Long-term capital gains	12.5%

**Note:** No indexation benefit is available in case of long-term capital assets w.e.f. 23 July 2024.

### Where the gains are treated as business income:

If the capital gains arising from the transfer of securities held in the Portfolio Entities are categorised as business income of the Scheme, such income of the Scheme (net of eligible expenses) could be taxable at MMR. The rate of tax specified currently is 30% (exclusive of surcharge and health and education cess).

### Buy-Back of Shares

As per Finance Act, 2026, with effect from 01 April 2026, proceeds received on buyback of shares shall taxable in the following manner:

- i) Capital gains shall be computed by reducing the cost of acquisition from the consideration received on account of buyback and would be taxable at the rates prescribed under the domestic law. The portfolio company shall not be liable for tax on any income that arises out of the buy-back of shares.
- ii) In case of promoters of Indian companies, it is proposed to levy an incremental tax in addition to the capital gain tax on gains arising from buy-back in accordance with section 68 of the Companies Act, 2013 as under:

Nature of capital gain	Additional tax rate in case where the promoter is a domestic company	Additional tax rate in case where the promoter is other than a domestic company	Effective tax rate in case where the promoter is a domestic company	Effective tax rate in case where the promoter is other than a domestic company
Short-term (listed)	2%	10%	22%	30%
Long-term (listed and unlisted)	9.5%	17.5%	22%	30%

**Note 1:** Promoters for listed companies would include a person: i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act.

With respect to unlisted companies, promoters have been defined as promoters under section 2(69) of the Companies Act, 2013, i.e., (a) who has been named as such in a prospectus or is identified by the

company in the annual return referred to in section 92; or (b) who has control over the affairs of the company, directly or indirectly whether as a shareholder, director or otherwise; or (c) in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act OR a person who holds, directly or indirectly, more than 10% of the shareholding in the company.

Where the subject matter of buyback is unquoted shares, provisions of section 79 of ITA 2025 (erstwhile section 50CA) will need to be considered, this is because buyback is treated as a transfer as per ITA.

In computation of capital gains, due consideration will need to be given to carry forward and set off of losses in accordance with sections 108, 109 and 111 of ITA 2025 (erstwhile sections 70, 71 and 74). Also, due effect is required to be given to the provisions of cost substitution under section 90(7) i.e., for FMV as on 31 January 2018 (erstwhile section 55(2)(ac)) and section 90(9) i.e., for FMV as on 01 April 2001 (erstwhile section 55(2)(i)).

### **Implications in the hands of non-promoters**

- (i) In case where shares are bought back from non-promoters, capital gains liability computed shall be final and there shall not be any additional income tax.
- (ii) Rates of taxation in case of non-promoter (without surcharge and cess) under domestic law:

<b><u>Nature of capital asset</u></b>	<b><u>Resident</u></b>	<b><u>Non-resident (other than FIIs and specified fund)</u></b>
<u>Short-term capital asset covered by section 196 of ITA 2025 (erstwhile section 111A) and STT paid</u>	<u>20%</u>	<u>20%</u>
<u>Short-term capital asset not covered by section 196 (erstwhile section 111A) of ITA 2025 (erstwhile section 111A) and other than STT paid</u>	<u>Applicable rate</u>	<u>Applicable rate</u>
<u>Long-term capital asset covered by section 197 and section 198 (erstwhile sections 112 and 112A) of ITA 2025 and STT paid and not paid</u>	<u>12.5%</u>	<u>12.5%</u>

Considering the Fund's investment objective of investing in equity shares of companies incorporated outside India, the additional tax levied for promoters is theoretical as the ITA only levies such taxes on buyback carried out by Companies in accordance with section 68 of the Companies Act, 2013.

### **Income on receipt of securities at lower than fair value**

As per section 92(2)(m) of ITA 2025 (erstwhile section 56(2)(x)) of the ITA, if any property is received without consideration or for inadequate consideration, the aggregate Fair Market Value (FMV) of such property as exceeds such consideration will be taxable in the hands of the recipient as "Income from other sources". The CBDT has issued rules which provide the manner in which 'fair market value' would be ascertained.

Further, the Finance Act, 2021, has amended the definition of securities under the Securities Contracts (Regulation) Act, 1956 to include units of an. Therefore, tax implications on issue of units and transfer of units of the Scheme may require evaluation under section 92(2)(m) of ITA 2025 (erstwhile section 56(2)(x)) of the Act in the hands of the investors.

Further, securities as defined under the Securities Contracts (Regulation) Act, 1956 (SCRA), are considered as property under the ITA. The Finance Act, 2021 has expanded the definition of “securities” under SCRA to include units issued by ‘pooled investment vehicle’ (such as units of a Scheme, business trust, collective investment scheme registered with SEBI, etc.). Therefore, tax implications on issue of units and transfer of units of the Scheme may require evaluation under section 92(2)(m) of ITA 2025 (erstwhile section 56(2)(x)) of the ITA in the hands of the recipient investors. Further, it can also be argued that the provisions of section 92(2)(m) of ITA 2025 (erstwhile section 56(2)(x)) does not apply in case of a fresh issue.

Implications of section 92(2)(m) (erstwhile section 56(2)(x)) should not apply in case of buyback of shares since the same are received by the Company as cancelled shares and there is no benefit or unjust enrichment that takes place.

## **MAT**

As per the ITA, if the tax payable by any company is less than 15% of its book profits, it will be required to pay MAT which will be deemed to be 14% (excluding currently applicable surcharge and education cess) of such book profits. Long-term capital gains on the sale of listed securities are included in the definition of “book profits” for the purposes of calculation MAT. Further, section 206 (erstwhile section 115JB) of the ITA exempts foreign companies from the provisions of MAT in cases where:

- The foreign company is a resident of the country with which India has entered into a treaty and it does not have a permanent establishment in India; or
- The foreign company is a resident of a country with which India does not have a treaty and is not required to seek registration under any law for the time being in force relating to companies.

Further, MAT provisions shall not be applicable to a foreign company where its total income comprises of profits and gains from businesses referred to in section 61 (erstwhile section 44B or section 44BB or section 44BBA or section 44BBB) of the ITA and the same has been offered to tax at rates mentioned in the specified section applicable to them.

Additionally, the provisions of MAT shall not be applicable to a taxpayer which has opted for the concessional rates under Section 200 (erstwhile section 115BAA and Section 201 (erstwhile Section 115BAB) of the ITA.

An Investor being a company may need to include its share of income / distribution proceeds received from the Scheme (in its capacity as a beneficiary of the Scheme) as part of its book profits liable to MAT depending upon the method of accounting, etc. Accordingly, a domestic company may be subject to MAT on such distribution proceeds / its share of income even if the Scheme had already paid taxes in the capacity of representative assessee for and on behalf of the beneficiaries or otherwise as an indeterminate trust.

Where the Scheme proposes to discharge taxes on behalf of the contributors, it shall not take into consideration the applicability of MAT provisions on the contributors.

As per Finance Act, 2026:

- MAT would be considered as final tax and no new MAT credit to be allowed.
- No set-off of MAT credit if continuing in the old regime.
- Set off of MAT credit if transitioning to the new regime during or after the tax year 2026-27, as follows:
  - Set off restricted to 25% of normal tax liability
  - Balance credit can be carried forward to subsequent tax years (subject to the existing limit of 15 years) and set off as above.

### **Alternate Minimum Tax ('AMT')**

As per the ITA, if the tax payable by a non-corporate entity is less than 18.5% (eighteen point five per cent) of the adjusted total income, it will be required to pay AMT which will be deemed to be 18.5% (eighteen point five per cent) (excluding applicable surcharge and education cess) of such adjusted total income. The provisions of AMT are applicable to non-corporate assesses, that have claimed a deduction under any section (other than section 149 (erstwhile section 80P included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes"), or section 144 (erstwhile section 10AA); or section 46 (erstwhile section 35AD) of the ITA.

Where the Scheme proposes to discharge taxes on behalf of the contributors, it shall not take into consideration the applicability of AMT provisions on the contributors.

### **Redemption/ Transfer of Units of the Scheme**

Transfer of Units of the Scheme by the Unit holder could result in income for the Unit holder and accordingly be taxed at the rates discussed above.

Redemption of Units by the Scheme could be taxable in the hands of the Unit holders.

### **Furnishing of Permanent Account Number (PAN)**

As per provisions of section 397(2) of ITA 2025 (erstwhile section 206AA) of the ITA, where a recipient of income (which is subject to withholding tax) does not have a PAN, then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the ITA, or rates in force or at 20%. However, the provisions of section 397(2) of ITA 2025 (erstwhile section 206AA) shall not apply to non-residents in respect of payments in the nature of interest, royalty, fees for technical services (FTS), dividend, and payment on transfer of capital assets provided the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

### **Discharge of taxes by the Scheme**

The Scheme considers itself to be a determinate trust and proposes to discharge taxes at scheme level.

However, the Trustee shall discharge its obligations, without giving effect to any specific benefits or claims including but not limited to provisions relating to differing income tax slab rates (including surcharge and cess) applicable to the beneficiaries or MAT or AMT or set-off of brought forward losses or specific exemptions (specific to the Beneficiary) under the provisions of the Act, that the Beneficiaries may be governed by or entitled to claim under the provisions of the ITA. While discharging the taxes, the Scheme shall consider the highest applicable surcharge, except for surcharge rates prescribed for certain incomes (such as dividend income, capital gains earned under section 196 of ITA 2025 (erstwhile section 111A), section 198 of ITA 2025 (erstwhile section 112A), in which case, the surcharge rate applicable on those specified incomes, shall be applied.

Further, in the event the tax authorities do not accept the Scheme's qualification as a determinate trust under section 304 of ITA 2025 (erstwhile section 161), the tax treatment enumerated below will not be available to the Scheme and the income of the Scheme could be taxed in the hands of the Trustee, as a

representative assessee at MMR under section 307 of ITA 2025 (erstwhile section 164). MMR may still be applicable tax rate where special income-tax rates apply to a certain income.

### **Bonus stripping**

The Finance Act, 2022 has expanded the applicability of bonus stripping to securities (including shares) as well.

In the context of investment in securities, this would mean that capital loss incurred by a taxpayer on sale of securities shall have to be ignored for the purposes of computing the taxable income and deemed to be cost of acquisition of the bonus securities, if the following conditions are satisfied:

- Taxpayer acquires the securities within a period of 3 (three) months prior to the record date (i.e., the date fixed by the Indian company/ issuer for the purposes of entitlement of the security holder to receive additional securities without consideration);
- Taxpayer is allotted securities without any payment on the basis of original holding;
- Taxpayer sells or transfers the original securities within a period of 9 (nine) months after the record date while continuing to hold all or any of the additional securities.

### **General Anti-Avoidance Rules (“GAAR”)**

GAAR were introduced by erstwhile Finance Act, 2012, with the objective of dealing with aggressive tax planning through the use of sophisticated structures and codifying the doctrine of ‘substance over form’ where the real intention of the parties and effect of transactions and purpose of an arrangement is taken into account for determining the tax consequences, irrespective of the legal structure that has been superimposed to camouflage the real intent and purpose. The GAAR provisions were initially introduced to be effective from 1 April 2013. However, the applicability of the provisions was deferred by the Finance Act, 2013, to 1 April 2015, and subsequently, to 1 April 2017, by the erstwhile Finance Act, 2015.

As per the provisions of ITA, Indian tax authorities have been granted wide powers to tax ‘impermissible avoidance arrangements’ including the power to disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa. The GAAR provisions are potentially applicable to any transaction or any part thereof.

The term ‘impermissible avoidance arrangement’ has been defined to mean an arrangement where the main purpose is to obtain a tax benefit, and it:

1. creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length;
2. results, directly or indirectly, in the misuse, or abuse, of the provisions of ITA;
3. lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or
4. is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

Further, an arrangement shall be presumed, unless it is proved to the contrary by the taxpayer, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

An arrangement shall be deemed to lack commercial substance (amongst other factors) if:

the substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from, the form of its individual steps or a part; or

1. it involves or includes:
  - round trip financing;
  - an accommodating party;
  - elements that have effect of offsetting or cancelling each other; or
  - a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or
2. it involves the location of an asset or of a transaction or of the place of residence of any party which is without any substantial commercial purpose other than obtaining a tax benefit for a party; or
3. it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained.

In case the GAAR is applied to any transaction pertaining to the Fund, it could have an adverse impact on the taxability of the Fund and the returns to the Beneficiaries

Further, CBDT vide its notification dated 31 March 2026 issued an amendment to the GAAR rules with effect from 1 April 2026. As per the amended rules, the provisions of GAAR will not be invoked on income which accrues or arises to, or deemed to accrue or arise to, or is received or deemed to be received by, any person from transfer of such investments which were made before the 1 April 2017 by such person.

### **Capital losses**

In terms of section 108 of ITA 2025 (erstwhile section 70) read with section 111 of ITA 2025 (erstwhile section 74), 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, is carried forward and set-off against any capital gains arising during the 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.

### **Compliance with section 508 of ITA 2025 (erstwhile section 285BA)**

Foreign Account Tax Compliance Act (FATCA) was enacted in 2010 by the Government of the United States of America (USA) (Govt. of US) with a view to combat tax evasion by U.S. citizens and residents through the use of offshore accounts.

FATCA requires financial institutions globally to share information about the financial accounts held by U.S. citizens/ residents for tax purposes to the Internal Revenue Services (IRS) of the Govt. of US. On similar lines as FATCA, Organization for Economic Co-operation and Development (OECD) issued a standard for Automatic Exchange of Information (AEOI) in tax matters called as 'Common Reporting Standard' (CRS). CRS also requires financial institutions globally to share information about the financial accounts held by the non-residents (other than U.S. citizens and residents for tax purpose).

To enable financial institutions in India to comply with FATCA and CRS, the Government of India (GOI) signed the Inter-Governmental Agreement (India IGA) with the Govt. of US on 9 July 2015 and joined the Multilateral Competent Authority Agreement (MCAA) on 3 June 2015.

For implementing India IGA and MCAA, necessary amendments were made to section 508 (erstwhile section 285BA) of the ITA. In exercise of the power conferred by section 285BA of the ITA, the CBDT notified the Income-tax (11th Amendment) Rules, 2015 i.e. Rule 238 (erstwhile Rule 114F), Rule 239 (erstwhile Rule 114G) and Rule 240 (erstwhile Rule 114H) of the ITR. Further, the CBDT has also issued a 'Guidance note on implementation of reporting requirements under Rules 238 to 240 (erstwhile Rule 114F to Rule 114H) of the ITR' dated 31 August 2015 which was subsequently updated on 31 December 2015, 31 May 2016 and 30 November 2016. Further, the CBDT has issued Circular dated 11 April 2017 with respect to timelines for closure of financial accounts under Rule 240(8) (erstwhile Rule 114H(8) of the Rules (i.e. financial accounts opened between 1 July 2014 to 31 August 2015).

In order to enable the Scheme to comply with the provisions of section 508 of ITA 2025 (erstwhile section 285BA) read with the Rules, the prospective investors and Unit holders would therefore 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 provisions of the ITA read with the Rules.

Further, the Unit holders are also requested to immediately intimate the Scheme/ the FME of any change in the information furnished in the documentation/ declarations provided to the Scheme/ Investment manager earlier, including but not limited to any declarations provided in respect of residency of the Unit holders for tax purposes.

If the Scheme and/or the FME is required by Applicable Laws, to provide information regarding the Scheme and/or the Unit holders/ investors to any regulatory/ tax authority of 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 Unit holders/ investors or to any other party as a result of such compliance or in connection with such compliance.

Prospective investors / Unit holders are requested to consult their own tax advisors for understanding FATCA/ CRS status.

### **Goods and Services Tax (“GST”)**

IFSC is a Special Economic Zone ('SEZ') and Units registered with IFSC are also registered as SEZ under the Special Economic Zone Act, 2005.

Given this, services provided by FME/Sponsor Unit in IFSC to the Scheme also located in IFSC should be regarded as zero rated supply of service under section 16 of the Integrated Goods and Services Tax Act, 2017 and where specified procedures are undertaken, the same can be provided without charging any GST. Accordingly, the management fees payable by the Scheme to the FME/Sponsor Unit located in GIFT IFSC should be regarded as zero-rated supply.

Similarly, for claiming any GST exemption / reduced tax benefit for inward supply of goods/services, requisite procedure and compliances would be required to be undertaken by the Units. Availability of duty/tax exemption/refund is subject to fulfilment of all the applicable conditions.

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 ITA. No representation is made either by the Trustee of the Fund/Scheme, the Fund, the Scheme 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 the investors of the Scheme by the income-tax authorities under the ITA. Prospective investors are urged to consult their own tax advisors in this regard. The above is only a brief and general summary of various legal and regulatory considerations and consequences.

<sup>[1]</sup> Advance Ruling P. No. 10 of 1996 [1997] 224 ITR 473 (AAR)

<sup>[2]</sup> India Advantage Fund VII 78 taxmann.com 301 (Karnataka) [2017]

<sup>[3]</sup> “Maximum marginal rate” means the rate of income-tax (including surcharge on income-tax, if any) applicable in relation to the highest slab of income in the case of an individual, association of persons or body of individuals] as specified in the Finance Act of the relevant year i.e. 30% (plus applicable surcharge and health and education cess)

<sup>[4]</sup> The rates in the table will be increased by applicable surcharge and health and education cess.

## SECTION XI: DISCIPLINARY HISTORY

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

Details of disciplinary history of the Scheme, FME and its 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.**

None.

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

None.

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

- IFSCA issued an advisory letter dated February 24, 2025 for absence of KMPs from IFSC branch office of the FME during surprise visits conducted by IFSCA, advising the FME to ensure compliance with Regulation 7(5) and Regulation 10(1) of the IFSCA FM Regulations within 4 weeks from the date of the above-mentioned letter. The FME filed the reply to the advisory letter on March 05, 2025 and explained the rationale behind the absence of the principal officer and compliance officer. The FME filed an application with IFSCA on January 22, 2025 for change in the compliance officer to Mr. Arindam Mandal and on February 11, 2025 for change in principal officer to Mr. Kumar Mayank. Further, the FME submitted that in lieu of the IFSCA FM Regulations, 2025, which replaced the IFSCA FM Regulations, 2022 and replaced the approval procedure for the change and appointment of KMPs, the FME appointed Mr. Kalpesh Soni and Ms. Ekta Shukla as its principal officer and compliance officer respectively and further intimated the IFSCA in accordance with the format prescribed under the circular dated February 20, 2025 titled 'Appointment and change of key managerial personnel by a Fund Management Entity'. Further, the FME confirmed that Principal Officer (PO) and Compliance Officer (CO) are fully based out of GIFT city and shall ensure compliance of the IFSCA FM Regulations at all times.

- IFSCA conducted a routine supervisory onsite visit at the IFSC branch office of the FME during March - April 2025, which was conducted as a part of IFSCA's standard regulatory oversight process. Post supervisory visit and review, IFSCA issued a warning on two matters to the FME as caution for future reference, while noting satisfactory responses to the remaining points. The FME has duly informed IFSCA of the actions taken in this regard.

● **Other conditions:**

1. SEBI has issued a show cause notice: SEBI/HO/EAD-3/JS/OW/P/13577/1/2019 dated May 29, 2019 in respect of Mr. Saurabh Mukherjea (in the capacity of the CEO of Institutional Equities, Ambit Capital Private Limited) in the matter of Mannapuram Finance Limited under rule 4(1) of the SEBI (Procedure for holding Inquiry and Imposing Penalties by Adjudication Officer) Rules, 1995 and rule 4(1) of Securities Contracts (Regulation) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005. On July 23, 2019, Mr. Saurabh Mukherjea filed an application for settlement (consent application) in connection with show cause notice bearing reference no. SEBI/HO/EAD-3/JS/OW/P/13577/1/2019 dated May 29, 2019 (notice) issued by SEBI to Saurabh Mukherjea (applicant). On October 29, 2020, SEBI accepted the settlement application filed by Mr. Saurabh Mukherjea.

2. In 2019, in response to the Investment Manager's filing an intimation with SEBI for an inter se transfer of the Investment Manager's shares between its shareholders, SEBI had issued a caution letter advising the Investment Manager to take prior approval before making any such transfer in future.
3. SEBI had conducted inspection of books of accounts and records of Marcellus Investment Managers Private Limited ("MIPL"), as a portfolio manager, for the period from April 2021 to June 2022. SEBI through letter dated August 02, 2023 identified few deficiencies and advised MIPL to exercise caution. MIPL based on raised observation has taken corrective measures. The matter is closed.
4. SEBI conducted an inspection of books accounts and other records of MIPL, for the period from April 01, 2022, to September 30, 2023. SEBI through letter dated September 03, 2024, identified one deficiency and advised MIPL to exercise caution. MIPL based on the observation has taken corrective measures. The matter stands closed.

**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.:**

- (a) Show-cause notice dated July 25, 2023 was issued by SEBI in the matter of "Inspection of debenture trustee activities of Catalyst Trusteeship Ltd." pointing out non-compliances in respect of a few procedural matters. The adjudicating officer assessed the issues raised in the case and examined the facts, submissions in the context of the relevant regulations. Accordingly, the adjudication proceedings initiated against the Catalyst Trusteeship Ltd vide the SCN dated July 25, 2023, were disposed of without any penalty vide order dated September 14, 2023.
- (b) Show- cause notice dated November 03, 2022 was issued by SEBI in case of Utkarsh Small Finance Bank for one of the debentures issues handled by Catalyst Trusteeship Ltd. pointing out non-compliances in respect of a few procedural matters. The adjudicating officer assessed the issues raised in the case and examined the facts, submissions in the context of the relevant regulations. Accordingly, the adjudication proceedings initiated against the Catalyst Trusteeship Ltd. vide the SCN dated November 03, 2022 were disposed of without any penalty vide order dated September 20, 2023.
- (c) Show-cause notice dated January 05, 2026 was issued by SEBI in the mater of thematic inspection of Catalyst Trusteeship Ltd. ("Catalyst") w.r.t. action taken in case of event of default by issuers. The reply to the said notice was filed by Catalyst on 19<sup>th</sup> January 2026. The matter is under hearing.

No specific cases of the litigations, criminal or civil prosecution, disputes, non-payment of statutory dues, over dues to / defaults against banks etc. are pending or initiated earlier against the Trustee or its directors.

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

- (a) SEBI had passed an order dated 28.02.2024 in relation to a legacy matter pertaining to an AIF for the inspection period 2019–20, when trusteeship was handled by Milestone Trusteeship Services Pvt. Ltd., which subsequently merged into Catalyst Trusteeship Ltd. in May 2022. The matter was challenged before the Securities Appellate Tribunal and thereafter before the

Hon'ble Supreme Court of India. By final order dated 05.01.2026, the Hon'ble Supreme Court after recording that no prejudice or loss had been caused to investors, remedial steps taken by Catalyst including repayment of amounts to the investors, set aside the order dated 28.11.2025 of SAT. Further, taking note that a stay had operated throughout, expressly stated that Catalyst shall be at liberty to undertake any such new assignments.

- (b) Spandana Sphoorty Financial Limited (SSFL) – SEBI order (2024) upheld by SAT (2025): SEBI imposed a monetary penalty of Rs.1.00 lakh on Catalyst Trusteeship Ltd. for certain procedural lapses relating to documentation of investor notifications and the evidence of meetings held in connection with covenant breaches by SSFL. On an appeal preferred by Catalyst Trusteeship Ltd., the Securities Appellate Tribunal (SAT) vide order dated November 28, 2025, upheld SEBI's order. The monetary penalty of ₹1.00 lakh has been duly paid by Catalyst. No continuing directions or restrictions were issued. Matter stands closed.

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

- AIF Transactions:

SEBI has issued two different letters of administrative warning dated 13.04.2023 and 29.05.2023 for the lapses of investment manager, one in respect of wrong reporting of type of scheme and other for delay in reporting to the investors. Both the matters are under correspondence with SEBI.

SEBI issued advisory letter dated February 21, 2024, which was addressed to the all directors of Catalyst Trusteeship Limited (“Catalyst”) including Mr. Jayesh Pandit, instead of to the KMPs of Lok Advisory Services Private Limited (investment manager for Lok Capital Growth Fund) pursuant to erroneous disclosure made by Lok Advisory Services Private Limited in the quarterly report of March 2023. The matter is under correspondence with SEBI for correction of records basis clarification provided by Lok Advisory Services Private Limited dated 08th March 2024 and by Catalyst vide letter dated 8th November, 2024. The matter is still under correspondence with SEBI.

- Debenture Trusteeship Transactions:

Considering the observations of periodical inspection, SEBI has issued deficiency letter and administrative warning vide letters dated 09.06.2021 and 12.06.2023 respectively. Further, basis a thematic inspection, SEBI has issued administrative warning letters dated 08.08.2023, and 23.10.2023 for non-compliance in respect of the procedural matters. Also, SEBI has issued administrative warning letters dated 14.11.2024, 10.12.2024, 18.03.2025, 24.03.2025 and advisory letter dated 25.09.2025 addressing non-compliance in procedural matters. The same is under correspondence with SEBI.

- Securitisation Trusteeship Transactions:

SEBI has issued action taken letter dated 12.02.2025, 28.03.2025 and 30.09.2025 out of examination of SDIs issued in which Catalyst Trusteeship Limited (Catalyst) acted as trustee for non-compliance in respect of the procedural matters.

No disciplinary action is taken or pending against any of the directors of the Trustee.

## SECTION XII: ILLUSTRATION OF FEES, EXPENSES AND OTHER CHARGES

Particulars / Illustration of Fees (Amounts mentioned in USD)					
Year 1					
Sr No.	Particulars of Fees	Basis of Calculations		A	B
A.	Net contribution received from the Unit holders			5000	5000
B.	Income earned / Gain or Loss*	(A*10%)	10% returns assumed	500	500
				5500	5500
C.	Fees and other expenses	(A+B)* Management Fees			
	a. Management Fees	Fees as per share classes		1%	1.75%
				55	96.25
	b. Operating Expenses	(A+B)*0.25% opex	Opex/Setup capped at 0.25% pa.	13.75	13.75
		Total Expenses (C)	(A+B)	68.75	110
<b>D.</b>	<b>Net invested amount in the Portfolio Companies</b>	<b>(A+B-C)</b>		<b>5431.25</b>	<b>5390</b>

**Notes:**

1. The above illustration is only for explanatory purposes and is based on assumed returns and fee levels. Actual returns, expenses, and portfolio values may vary and are not guaranteed.
2. An illustrative return of 10% per annum has been assumed solely for demonstrating the impact of fees and expenses.
3. Management Fees are applied as per the respective share class selected by the investor.
4. Operating Expenses are capped at 0.25% per annum, as disclosed in the Offer Document.  
Trading and transaction costs are not included in the illustration above and will be charged on an actuals basis.
5. The “Net invested amount in the Portfolio Companies” represents the amount available for deployment after deducting applicable fees and expenses.
6. The illustration does not account for taxes, additional contributions, redemptions, or extraordinary expenses.
7. All amounts are presented in USD; minor rounding differences may occur.
8. This illustration is for information purposes only and does not represent actual or indicative performance. It should not be construed as investment advice.
9. Other standard disclosures applicable to the Scheme shall apply.

### SECTION XIII: GLOSSARY

<b>“20/25 rule”</b>	has the meaning ascribed to such term in paragraph 27 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“20 Investors Limit”</b>	has the meaning ascribed to such term in paragraph 27 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“25% Limit”</b>	has the meaning ascribed to such term in paragraph 27 under the heading ‘ <i>Minimum Number of Investors</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Additional Subscription”</b>	has the meaning ascribed to such term in paragraph 9 under the heading ‘ <i>Initial Subscription and Additional Subscription</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Application Form”</b>	means the subscription form signed by the Investor to subscribe to the Units of the Scheme.
<b>“Applicable Laws”</b>	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.
<b>“Associate(s)”</b>	has the meaning as ascribed to such term under the IFSCA FM Regulations.
<b>“AUM”</b>	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.
<b>“Benchmark”</b>	has the meaning ascribed to such term in paragraph 3 under the heading ‘ <i>Benchmark</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Beneficial Interest”</b>	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).
<b>“Business Day”</b>	means any day, which is not a Saturday, Sunday, or a day on which the banks or stock exchanges in India or United States are authorized or required by Applicable Laws to remain closed or any such day as the FME may specify from time to time..
<b>“Class(es)”</b>	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 “Plans and Options” in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Class B Units”	has the meaning assigned to such term in paragraph 5 titled “Plans and Options” in “SECTION V: 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 41 titled “Grievance Redressal” in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“CRAO”	has the meaning assigned to such term in paragraph 41 titled “Grievance Redressal” in “SECTION V: 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.
“Deceased Investor”	has the meaning ascribed to such term in paragraph 23 under the heading ‘Transfer/pledge and transmission of Units’ in “SECTION V: 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.
“Exit Charge”	has the meaning ascribed to such term in paragraph 14 under the heading ‘Redemption’ in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“FATCA and CRS Implementation Rules”	has the meaning ascribed to such term in paragraph 3 under the heading ‘FATCA / CRS Reporting’ of the Supplementary Information in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Financial Year”	means the complete year of 12 (Twelve) months commencing from 1st April of a calendar year and ending on 31st March of the following calendar year.
“Fund Management Entity” or “FME”	means ‘ <b>Marcellus Investment Managers Private Limited (IFSC Branch)</b> ’, a company incorporated under the provisions of Companies Act, 2013 and operating through its branch in GIFT City, having its registered office at Unit no. 431 and 432, Signature Building, Fourth Floor, Block no. 13B, Zone – 1, GIFT SEZ, GIFT City, Gandhinagar – 382 050, 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 IFSCA/FME/III/2022-23/037.

<b>“FME Commitment”</b>	has the meaning assigned to such term in paragraph 12 titled “ <i>FME Commitment</i> ” in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“GIFT City”</b>	means the Gujarat International Finance Tec-City.
<b>“Global Custodian”</b>	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.
<b>“Government”</b>	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.
<b>“GST”</b>	means goods and services tax.
<b>“Guardian”</b>	means a natural person as defined under the Applicable Laws.
<b>“IFSCA” or “IFSC Authority”</b>	means International Financial Services Centres Authority established under the International Financial Services Centres Authority Act, 2019.
<b>“IFSCA FM Regulations”</b>	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.
<b>“Indemnified Persons”</b>	has the meaning ascribed to such term in paragraph 29 under the heading ‘ <i>Indemnification</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Indenture”</b>	means the indenture of trust dated February 05, 2026, 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.
<b>“Independent Valuer”</b>	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.
<b>“Indian Rupees” or “Rupees” or “Rs.” or “INR”</b>	means the currency of the Republic of India.
<b>“Initial Offer Period”</b>	has the meaning ascribed to such term in paragraph 6 under the heading ‘ <i>Initial Offer Period</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Initial Settlement”</b>	means a sum of USD 100 (United States Dollars One Hundred), being the initial amount irrevocably transferred or delivered by the Settlor to the Trustee towards creation of the corpus of the Scheme.

<b>“Initial Subscription”</b>	has the meaning ascribed to such term in paragraph 9 under the heading ‘ <i>Initial Subscription and Additional Subscription</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Institutional Investor”</b>	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.
<b>“Interested Parties”</b>	means the FME, its Associates, affiliates/group entities, directors, employees, and agents.
<b>“International Financial Services Centre or IFSC”</b>	means International Financial Services Centre located in the Gujarat International Finance Tec-City, Special Economic Zone, Gandhinagar, Gujarat.
<b>“Investment Committee”</b>	has the meaning ascribed to such term in paragraph D under the heading ‘ <i>Investment Committee</i> ’ in “ <b>SECTION II: GOVERNANCE STRUCTURE</b> ” of this Offer Document.
<b>“Investment Management Agreement”</b>	investment management agreement entered into by and between the Trustee and FME on 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.
<b>“Investment/s”</b>	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 and (viii) such other securities or financial products,/ assets or instruments as may be specified by the IFSCA, subject to the IFSCA FM Regulations and Applicable Laws, as amended from time to time.
<b>“Investor/s” or “Unitholders” or “Unit Holder/s”</b>	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.
<b>“IPO”</b>	means an initial public offering.
<b>“IST”</b>	means Indian standard time.
<b>“IT Act”</b>	means the (Indian) Income-tax Act, 2025 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.
<b>“Losses”</b>	has the meaning ascribed to such term in paragraph 27 under the heading ‘ <i>Indemnification</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Malfeasance”</b>	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.
<b>“Management Fee”</b>	has the meaning ascribed to such term in paragraph 19 under the heading ‘ <i>Management Fee</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Net Asset Value” or “NAV”</b>	means the amount determined pursuant to this Offer Document and as listed out in “ <b>SECTION VI: DETERMINATION OF NET ASSET VALUE OF THE UNITS</b> ” of this Offer Document.
<b>“Offer Document”</b>	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.
<b>“One-Time Trusteeship Fee”</b>	has the meaning ascribed to such term in paragraph 18 under the heading ‘ <i>Trusteeship Fees</i> ’ under “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Operating Expenses”</b>	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Fixed Fee Expense</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Other Expenses”</b>	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Fixed Fee Expense</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“PAN”</b>	means Permanent Account Number.
<b>“p.a.”</b>	means per annum.
<b>“Person”</b>	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.
<b>“Placement Agent/s”</b>	has the meaning ascribed to such term in paragraph 21 under the heading ‘ <i>Placement Fees</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Placement Fee”</b>	has the meaning ascribed to such term in paragraph 21 under the heading ‘ <i>Placement Fees</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“PML Norms”</b>	has the meaning assigned to such term in paragraph 1 under the heading “ <i>AML/KYC</i> ” under supplementary section in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
<b>“Portfolio Entities”</b>	means such company, special purpose vehicle, limited liability partnership, body corporate or other permissible entity/enterprise in whose securities/instruments/products including units of alternative investment

	funds and funds set up in offshore jurisdictions (including GIFT IFSC), where the monies are invested in accordance with the Offer Document and Applicable Laws.
“Principal Officer”	has the meaning ascribed to such term in “SECTION II: GOVERNANCE STRUCTURE” of this Offer Document.
“Recurring Trusteeship Fee”	has the meaning ascribed to such term in paragraph 18 under the heading ‘Trusteeship Fees’ under “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Redemption Request”	has the meaning ascribed to such term in paragraph 14 under the heading ‘Redemption’ in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Redemption Price”	has the meaning ascribed to such term in paragraph 14 under the heading ‘Redemption’ in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Redemption Proceeds”	has the meaning ascribed to such term in paragraph 14 under the heading ‘Redemption’ in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“Registered FME (Retail)”	has the meaning ascribed to such term under Regulation 3(4)(c) of the IFSCA FM Regulations.
“Resident Indian”	shall have the meaning 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 ‘Marcellus Global Equities Fund’ which shall be launched as a Retail Scheme subject to the Applicable Laws.
“Settlor”	means ‘Catalyst Trusteeship Limited’, a company incorporated under the provisions of Companies Act, 1956, having its registered office at GDA House, 1 <sup>st</sup> Floor, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India and operating from its branch office at 627, Hiranandani Signature, 6 <sup>th</sup> Floor, Block 13B, Zone 1, SEZ, GIFT City, Gandhinagar – 382 050, Gujarat, India.
“SIP”	has the meaning assigned to such term in paragraph 10 titled “Systematic Investment Plan (SIP)” in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.
“SWP”	has the meaning assigned to such term in paragraph 11 titled “Systematic Withdrawal Plan (SWP)” in “SECTION V: 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 ‘Total Fixed Fee Expense’ in “SECTION V: PRINCIPAL TERMS OF THE SCHEME” of this Offer Document.

“Settlor”	means ‘ <b>Catalyst Trusteeship Limited</b> ’, a company incorporated under the provisions of Companies Act, 1956, having its registered office at GDA House, 1 <sup>st</sup> Floor, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411 038, Maharashtra, India and operating from its branch office at 627, Hiranandani Signature, 6 <sup>th</sup> Floor, Block 13B, Zone 1, SEZ, GIFT City, Gandhinagar – 382 050, Gujarat, India, which has settled the Scheme.
“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 24 under the heading ‘ <i>Switch</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
“Tax” or “Taxes”	<p><b>shall mean and include:</b> (i) all forms of present and future tax, levy, duty, surcharge, cess, impost, withholding tax, including income tax, tax collected at source, value added tax, goods &amp; services tax, tax payable in a representative assessee capacity, minimum alternate tax or other amount whenever or wherever created or imposed by, or payable to any tax authority, any national, state, municipal, local or other authority having the power to tax whether due to past, present or potential obligations, and in relation to goods and services tax or other indirect taxes, payable to the person by whom it is leviable; 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 as may be relevant under Applicable Law.</p> <p>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 Trust to the FME or any of its affiliates.</p>
“Temporary Investments”	has the meaning ascribed to such term in paragraph 30 under the heading ‘ <i>Temporary Deployment of Surplus Funds</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
“Total Expense”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Fixed Fee Expense</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” of this Offer Document.
“Trading Expenses”	has the meaning ascribed to such term in paragraph 20 under the heading ‘ <i>Total Fixed Fee Expense</i> ’ in “ <b>SECTION V: PRINCIPAL TERMS OF THE SCHEME</b> ” 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.

<b>“Trust Property”</b>	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).
<b>“Trustee/Fiduciaries”</b>	means <b>“Catalyst Trusteeship Limited (IFSC Branch)”</b> , or such other Person that may be appointed under the terms of the Indenture.
<b>“Unit”</b>	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.
<b>“USD”</b>	means United States Dollars.
<b>“Valuation Day”</b>	<p>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.</p> <p>Subscriptions and redemptions shall be accepted on each Valuation Day, subject to the applicable cut-off time of 2.00 p.m. (IST) or such other time period as may be decided by the FME, from time to time. For the purpose of determining the applicable NAV, transactions received on a Business Day before the applicable cut-off time shall be considered as having been received on that Business Day (<b>“T Day”</b>).</p> <p>The applicable NAV for such subscriptions and redemptions shall be the NAV as of the relevant T Day, subject to the receipt of clear funds and valid transaction requests. Please note that the applicable NAV of the T Day shall be determined by the FME within 3 Business Days from the relevant T Day i.e., on a T+3 basis.</p> <p>Illustration: In the event a valid subscription or redemption request is received on Monday before the applicable cut-off time, Monday shall be considered as T Day, and the applicable NAV shall be the NAV for Monday, which shall be determined by the FME on or before Thursday (i.e., T+3), subject to there being no intervening non-Business Days.</p>