

EDELWEISS GLOBAL WEALTH MANAGEMENT LIMITED

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT

Edelweiss Global Wealth Management Limited  
Portfolio Management Services  
SEBI Registration Number -INP000008880  
CIN: U67100MH2007PLC353035

**Disclosure Document**  
**For Portfolio Management Services Offered by**  
**Edelweiss Global Wealth Management Limited**

- This Disclosure Document (the Document) has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.
- The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.
- The Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investors are advised to carefully read this entire document before making any investment decision and to retain it for future reference.
- Investors are encouraged to seek clarifications on this document from the Portfolio Manager.
- The Principal Officer designated by the Portfolio Manager is

**Name: Mr. Prolin Nandu**

- **Registered Address:**

Edelweiss House, 15<sup>th</sup> Floor, Off. CST Road, Kalina,  
Mumbai - 400 098

Tel: 022 - 4079 5199

Email: [Pms.compliance@edelweissfin.com](mailto:Pms.compliance@edelweissfin.com)

Date: December 27, 2024

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1. **DISCLAIMER CLAUSE:**

This Disclosure Document has been prepared in accordance with the provisions of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020. This Disclosure Document includes disclosures as required under the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013. This Disclosure Document has been filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person. While Edelweiss Global Wealth Management Limited ("Edelweiss Global Wealth" or "Company" or "Portfolio Manager" or "EGWML") shall endeavor to update on a reasonable basis the information disclosed in this Document, the Company does not undertake to update such information to reflect the impact of circumstances or events, including regulatory or compliance changes that arise after the date mentioned on the first/cover page of this Document. Except as otherwise mentioned in this Document, all information herein is as on the date mentioned on the first/cover page of this Document. No part of this Disclosure Document may be duplicated in any form and/or redistributed without the prior written consent of Edelweiss Global Wealth.

2. **DEFINITIONS:**

- a) In this Disclosure Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:
- b) "Act" means the Securities and Exchange Board of India Act, 1992.
- c) "Advisory Services" means advising on the portfolio approach, investment and divestment of Securities in the Client's Portfolio, entirely at the Client's risk, in terms of the Regulations and the Agreement.
- d) "Agreement" means Discretionary Portfolio Investment Management Agreement and/or Non-Discretionary Portfolio Investment Management Agreement and/or Advisory Agreement executed between the Portfolio Manager and the Client in terms of the SEBI (Portfolio Managers) Regulations, 2020.
- e) "Associates" means
  - a. a body corporate in which a director or partner of the Portfolio Manager holds, either individually or collectively, more than 20% of its paid-up equity share capital or partnership interest, as the case may be; or

- b. a body corporate which holds, either individually or collectively, more than 20% of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.
- f) **"Board"** means the Securities and Exchange Board of India.
- g) **"Client"** or **"Investor"** means a Person that enters into an Agreement for availing services offered by the Portfolio Manager.
- h) **"Custodian(s)"** means an entity registered with the SEBI as a custodian under the applicable laws and appointed by the Portfolio Manager, from time to time, to provide custodial services to the Portfolio Manager.
- i) **"Disclosure Document"** means this disclosure document issued by the Portfolio Manager for offering services stated hereunder, prepared in terms of the Regulations.
- j) **"Discretionary Portfolio Management Services"** or **"Discretionary PMS"** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions as contained in the Discretionary Portfolio Investment Management Agreement, wherein the Portfolio Manager exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of Securities of the Client.
- k) **"Foreign Portfolio Investor"** or **"FPI"** means an investor registered with the SEBI as a Foreign Portfolio Investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
- l) **"Financial Year"** means the period of 12 (twelve) months starting from April 1<sup>st</sup> to March 31<sup>st</sup> the following year.
- m) **"Funds"** means the money placed by the Client with the Portfolio Manager and any accretions thereto.
- n) **"Investment Approach"** means any of the current investment approaches or such investment approach that may be introduced at any time in the future by the Portfolio Manager.
- o) **"Non-discretionary Portfolio Management Services"** or **"Non-Discretionary PMS"** means Portfolio Management Services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing or on recorded line or by e-mail, invests in respect of the Client's account entirely at the Client's risk.
- p) **"NRI"** or **"Non-Resident Indian"** means an individual resident outside India who is a citizen of India.

- q) **"Parties"** means the Portfolio Manager and the Client; and **"Party"** shall be construed accordingly.
- r) **"Person"** includes any individual, partners in partnership, central or state government, company, body corporate, cooperative society, partnership firm, limited liability partnership, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- s) **"Portfolio"** means the total holdings of Securities belonging to any Person.
- t) **"Portfolio Management Services"** means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Advisory Services, as the context may be.
- u) **"Portfolio Manager"** means Edelweiss Global Wealth Management Limited, a Company incorporated under the Companies Act 1956 and having its registered office at Edelweiss House, 15<sup>th</sup> Floor, Off CST Road, Kalina, Mumbai- 400098
- v) **"Principal Officer"** means a person who has been designated as Principal Officer by the Portfolio Manager as required under the Regulations, 2020 and responsible for the activities of Portfolio Manager.
- w) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and where applicable, Chapter III of SEBI (Investment Advisers) Regulations, 2013, as amended from time to time.
- x) **"Related Party"** means a related party as defined under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and any amendments thereto from time to time.
- y) **"SEBI"** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- z) **"Securities"** Securities" as defined under the Securities Contracts (Regulation) Act, 1956;

## **INTERPRETATION**

- ▶ Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted in accordance with applicable law or according to their general meaning and usage. The definitions are not exhaustive.
- ▶ All references to the masculine shall include the feminine and all references, to the

singular shall include the plural and vice-versa.

- ▶ All references to "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

### 3. DESCRIPTION

#### 3.1 HISTORY, PRESENT BUSINESS & BACKGROUND OF THE PORTFOLIO MANAGER:

Edelweiss Global Wealth Management Limited was incorporated as a limited company under the Companies Act, 1956 on October 9, 2007 and received the certificate of commencement of business on October 23, 2007.

Edelweiss Global Wealth Management Limited is a wholly owned subsidiary of Edelweiss Financial Services Limited ("EFSL").

Edelweiss Financial Services Limited (EFSL) is the promoter of Edelweiss Global Wealth. EFSL is listed on the NSE and BSE and is a diversified financial services company in India and is registered with SEBI as a Merchant Banker. EFSL is also an Investment Manager to a SEBI registered Category III Alternative Investment Fund. EFSL has various subsidiaries engaged in the business of asset management, insurance and credit. Since its commencement of business in 1996, EFSL has grown from a boutique investment bank into a diversified financial services company.

The Company received the registration from SEBI as a Portfolio Manager on August 19, 2024.

The Company proposes to provide Discretionary PMS, Non-Discretionary PMS and Advisory Services.

Pursuant to The said transfer has been approved by SEBI vide letter no SEBI/HO/IMD/IMD-RAC-3/P/OW/2024/34933/1 dated November 11, 2024 and a Business Transfer Agreement dated December 27, 2024 (BTA), executed between the Company and Edelweiss Asset Management Limited (EAML), a fellow subsidiary, the business under the following strategies are being transferred from EAML to Edelweiss Global w.e.f. January 1, 2025:

- i. Edelweiss Focused Mid and Small Cap Portfolio Approach
- ii. Edelweiss Focused Mid and Small Cap Portfolio – Series II.

Pursuant to the BTA, EAML has assigned to the Company its rights and obligations under the Portfolio Investment Management Agreement executed with the Clients and other documents executed pursuant thereto and the Power of Attorney ("POA") conferred by the Clients in favour of EAML.

### **3.2 PROMOTERS OF THE PORTFOLIO MANAGER, DIRECTORS AND THEIR BACKGROUND:**

#### **► Promoter**

Edelweiss Financial Services Limited (EFSL) is the promoter of Edelweiss Global Wealth. EFSL is listed on NSE and BSE and is a diversified financial services company in India and is registered with SEBI as a Merchant Banker. EFSL is also an Investment Manager to a SEBI registered Category III Alternative Investment Fund. EFSL has various subsidiaries engaged in the business of asset management, insurance and credit. Since its commencement of business in 1996, EFSL has grown from a boutique investment bank into a diversified financial services company.

#### **► Directors**

<b>Name</b>	<b>Brief profile</b>
<b>Ms. Ananya Suneja</b>	<p>Ms. Ananya Suneja is an accomplished professional with over 24 years of experience in Financial Strategy, Risk Management, Cost Efficiency, Finance Transformation, Financial Planning &amp; Reporting across various segments like Banking, Financial Services and Manufacturing.</p> <p>She has worked with various global firms like Deutsche Bank, GE and JP Morgan Chase. Ms. Suneja is the Chief Financial Officer of Edelweiss Financial Services Limited, the Holding Company and has been associated with the Edelweiss Group since 2018.</p>
<b>Mr. Tarun Khurana</b>	<p>Mr. Tarun Khurana is a Company Secretary having rich experience of Compliance and Governance. Mr. Tarun Khurana is the Company Secretary of Edelweiss Financial Services Limited, the Holding Company. He has been associated with the Edelweiss Group since 2009 and has worked at various levels. Prior to Edelweiss, Mr. Khurana was associated with Motilal Oswal Financial Services and Mahindra &amp; Mahindra Group.</p>



<b>Mr. Vyapak Shrivastava</b>	Mr. Vyapak Shrivastava is a Chartered Accountant with more than 20 years of experience in Audit, Financial Planning and Reporting, Advisory and Assurance. Mr. Shrivastava has during his career developed and implemented risk-based audit strategy as per standards of Internal Auditing, guidelines and best practices. He has been highly successful in conducting international audit quality review and has partnered with the top management of leading companies in devising financial strategies to support company's business strategy aimed at optimizing business process and implementing efficient controls. Mr. Shrivastava has been associated with Edelweiss Group since 2022. Prior to Edelweiss, Mr. Shrivastava has been associated with Haribhakti & Co. LLP, S.R. Batliboi, PwC, AFF, BDO International & HUL.
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### **3.3 DETAILS OF THE TOP TEN GROUP COMPANIES:**

The details of group entities of the Portfolio Manager as on March 31, 2024 reckoned on the basis of their total turnover as per the latest audited financial statements as on March 31, 2024 are given below:-

#### **Name of Entities**

1	Edelweiss Financial Services Limited
2	Edelweiss Life Insurance Company Limited
3	Ecap Equities Limited
4	ECL Finance Limited
5	Edelweiss Asset Reconstruction Company Limited
6	Zuno General Insurance Limited
7	Nido Home Finance Limited
8	EAAA India Alternatives Limited
9	Edel Finance Company Limited
10	Edelweiss Rural & Corporate Services Limited

The Portfolio Manager may avail services provided by its Group entities from time to time in relation to the operations. Subject to compliance with the applicable laws, such services shall be availed on commercial terms and on an arms-length basis and at mutually agreed terms. Appropriate disclosures, wherever mandated, shall be made by the Portfolio Manager.

### **3.4 DETAILS OF SERVICES BEING OFFERED:**

The Portfolio Manager offers Discretionary PMS, Non-Discretionary PMS and Advisory Services. For more details, please refer to Section 5 below.

The Client has an option to place Funds directly (i.e. other than through a distributor/placement agent) with the Portfolio Manager for availing any of the Portfolio Management Services.

### **4. PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.:**

- a. All cases of penalties imposed by the SEBI or the directions issued by the SEBI under the Act or Rules or Regulations made there under against the Portfolio Manager: **None**
- b. The nature of penalty/ direction against the Portfolio Manager: **None**
- c. Penalties imposed for any economic offence and/or for violation of any securities laws against the Portfolio Manager: **None**
- d. Any pending material litigation/legal proceedings against the Portfolio Manager /key personnel with separate disclosure regarding pending criminal cases, if any: **None**
- e. Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency: **None**
- f. Any enquiry/adjudication proceedings initiated by SEBI against the Portfolio Manager or its directors, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its directors, principal officer or employee, under the Act or rules or Regulations made there under:

Sr. No.	Names of the Party	*Nature of Dispute
1	Edelweiss Financial Services Limited	1. Edelweiss Financial Services Limited (EFSL) has received notices dated February 9, 2024 bearing reference numbers SEBI/HO/DDHS- SEC/P/OW/2024/5802/1 and

		<p>SEBI/HO/DDHS-SEC-1/P/OW/2024/5821/1 from SEBI ("SEBI Letter"), under Section 15 HB for summary settlement in relation to alleged payments of additional interest for publicly issued NCDs and in its capacity as an Issuer and the merchant banker. The SEBI pursuant to its notice dated June 14, 2024 addressed to EFSL, issued a notice for summary settlement of the probable proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 as provided in the SEBI Letter.</p> <p>Subsequently, EFSL has filed the settlement applications and an aggregate amount of ₹ 1.95 million has been remitted.</p> <p>2. In the matter of IPO of Electrosteel Steels Limited, Edelweiss Financial Services Limited (EFSL), along with other Merchant Bankers have received an adjudication order dated March 31, 2016 from SEBI imposing penalty of Rs. 1,00,00,000/- on all the Merchant Bankers, which the Merchant Bankers are liable to pay jointly and severally.</p>
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		<p>EFSL along with other Merchant Bankers have filed an Appeal before Securities Appellate Tribunal against the Adjudicating order. The Securities Appellate Tribunal vide its order dated November 14, 2019, has reduced the penalty amount from Rs. 1,00,00,000 to Rs. 50,00,000. The penalty of Rs. 50,00,000 imposed on the Merchant Bankers has been paid jointly. EFSL paid Rs. 16,66,667/-.</p>
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The above tabular information on enquiries and adjudication proceedings pertain to the Portfolio Manager's promoter for the last five years.

## 5. DETAILS OF SERVICES OFFERED

### 5.1 TYPES OF SERVICES OFFERED:

#### (i) **Discretionary Portfolio Management (DPM) Services:**

The Portfolio Manager offers Discretionary Portfolio Management Services.

The Portfolio Manager shall be acting in a fiduciary capacity with regard to Clients' Portfolio and shall have sole and absolute discretion to invest Clients' Funds in any type of Securities and in any market as it deems fit for the benefit of the Client for an agreed fee structure and for a definite period as described in the Agreement. The Securities invested/ disinvested by the Portfolio Manager may differ from Client to Client. The Securities traded or held by the Portfolio Manager for different Client Portfolios, even if invested under the same Investment Approach, may differ from Client to Client as a result of investment restrictions notified by the Client to the Portfolio Manager from time to time. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the grounds of malafide, fraud, conflict of interest or gross negligence. This right of

the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio Manager shall invest funds of the Client only in the Securities traded on a recognised stock exchange, money market instruments, units of Mutual Funds and other Securities as specified by SEBI from time to time, on behalf of their Clients. The Portfolio Manager may offer Portfolio Management Services for investment up to 100% of the assets under management of the large value accredited investors in unlisted securities.

Money market instruments include commercial papers, trade bill, treasury bills, certificate of deposit and usance bills.

The Portfolio Manager may invest in units of Mutual Funds (only through direct plan) and no distribution fees shall be charged to the Clients.

However, the Portfolio Manager shall invest the Clients' funds neither in the portfolio managed or administered by another portfolio manager nor based on the advice of any other entity.

**(ii) Non-Discretionary Portfolio Management Services:**

Under Non-Discretionary Portfolio Management Services, the Clients decide their own investments with the Portfolio Manager facilitating the execution of transactions. The Portfolio Manager will provide Non- Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the Portfolio, buying and selling the Securities with the Client's oral and/or written consent. Additionally, the Portfolio Manager will keep the safe custody of the Securities and monitor book closures, dividend, bonus, rights etc. and any other benefits that accrue to the Client's Portfolio, for an agreed fee structure and for a definite period as described in the Agreement, entirely at the Client's risk.

The rights and obligations of the Portfolio Manager shall be exercised strictly in accordance with the relevant acts, rules and regulations, guidelines and notifications in force from time to time.

The Portfolio Manager may invest up to 25% of the assets under management of the Client in unlisted Securities, in addition to the Securities permitted for Discretionary PMS. The Portfolio Manager may also offer portfolio management services for investment up to 100% of the assets under management of the large value accredited investors in unlisted securities.

The Portfolio Manager may invest in units of Mutual Funds (only through direct plan) and no distribution fees shall be charged to the Clients.

However, the Portfolio Manager shall invest the Clients' funds neither in the portfolio managed or administered by another portfolio manager nor based on the advice of any other entity.

**(iii) Advisory Services:**

The Portfolio Manager will provide Advisory Services, in terms of the Regulations, which shall be in the nature of non-binding investment advisory and shall include the responsibility of advising on the Portfolio approach, investment and divestment of individual Securities in the Client's Portfolio, for an agreed fee structure and for a period agreed in the Agreement, entirely at the Client's risk, to all eligible categories of investors who can invest in Securities.

The Portfolio Manager shall, provide advisory services in accordance with such guidelines and/ or directives issued by the regulatory authorities and /or the Client, from time to time, in this regard.

The Portfolio Manager may provide advice for investment up to 25% of the assets under management of the Client in unlisted Securities, in addition to the Securities permitted for the Discretionary PMS. The Portfolio Manager may also offer Portfolio Management Services for investment up to 100% of the assets under management of the large value accredited investors in unlisted securities.

**5.2 Minimum Investment Amount:**

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and /or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to the minimum amount as specified under the Regulations, as amended from time to time. It is to be noted that the requirement of Minimum Investment Amount per Client shall not apply to an accredited investor, the Minimum Investment Amount in that case shall be determined as per the Agreement.

**5.3 Policy for investment in Related Parties/ Associates/ Group Companies of the Portfolio Manager**

The Portfolio Manager will, before investing in the Securities of its related parties/ associate/ group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's

Portfolio. The investments in related parties/ associate/ group companies at the time of investments will be as per SEBI Circular dated August 26, 2022 as amended from time to time. The investments in Securities of the related parties/ associate/ group companies would be within the overall framework of the Regulations and in terms of the Agreement executed with the Client.

The investment restrictions, if any, imposed by the Client, with respect to a particular company or industry or sector, will be considered. It means the type of Securities and permissible instruments to be invested in by the Portfolio Manager for the Client will be considered after taking into account factors specific to Client.

#### **5.4 Transactions with related parties/ associates/ group Companies**

The Portfolio Manager may utilize services of related parties/ subsidiaries/ associates/ joint ventures of EFSL relating to and incidental to Portfolio Management Services. Such utilization will be purely on commercial and arms-length basis and at mutually agreed terms and conditions to the extent and limits permitted under the Regulations.

##### **Risks with related parties/ associates/ group Companies**

Related party transactions pose a higher risk as there are possibilities of inappropriate accounting, non-identification or non-disclosure, fraud and the underlying ability of the business to be safely regarded as a growing concern.

##### **Diversification Policy**

The Portfolio Manager would follow a rule-based approach to investments. In this approach, stocks are eliminated by analysing past data and selected based on rules / bottom-up research approach. This results in a well-diversified portfolio with broad based caps for weightages on individual stocks as well as sectors.

#### **5.5 TYPES OF INVESTMENT APPROACHES**

The Discretionary Portfolio Management Investment Approaches being offered are as follows:

##### **I) Edelweiss Focused Mid & Small Cap Portfolio Approach**

**Investment Objective:** Focused Mid & Smallcap Portfolio focuses on the companies in small-midcap space which have high earnings growth, with emphasis on good earnings quality available at reasonable valuation. The key tenet of the fund is 'Share prices are slaves of earnings growth'. Predominant features of the portfolio companies are as below:

- Leadership in the segment,
- High ROCE/ROE,
- Superior earnings growth,
- Low financial leverage and,
- Sufficient liquidity.

Stock selection and industry allocation will remain independent of benchmark weights. The portfolio will be a diversified portfolio of up to 25 quality companies.

Benchmark: Nifty 50 TR Index

Strategy: Equity

Allocation of portfolio across types of securities:

Asset Class Allocation	Indicative Allocations (%)
Equity and Equity related Securities	50%-100%
Debt & Money Market Instruments	0%-50%

Minimum Account Size: Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time. Accredited Investors: Minimum amount Rs. 25 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

Investment Strategy: Focused Mid & Smallcap Portfolio concentrates on companies in Mid-small cap space which exhibit the following characteristics:

- (A) Growth or market leadership.
- (B) Quality of earnings and balance sheet risk is given higher importance than the growth of earnings

These two factors allow the fund manager to identify businesses which are run by capable management teams which can create wealth for minority shareholder's over a long term. Investment Approach is divided into the following three buckets based on the nature of the business and investment horizon:-

- (A) Strategic: Companies which fall under 'Strategic bucket' are companies which are less cyclical and have long runway for growth. These typically are businesses which fund manager intend to hold for a longer time frame.



(B) Tactical: Companies that fall under 'Tactical bucket' are companies which are cyclical or companies which are witnessing a turnaround. The aim here is to identify companies which are expected to deliver strong earnings growth due to revival in the underlying business cycle or change in management approach. Time horizon typically is medium term given the cyclical nature of the business.

(C) Options: Companies that fall under 'Options Bucket' are businesses which typically are into sun-rise sectors. These are industries which are in their early stages and are expected to evolve over a period. Since industry dynamics are not well defined, risk in such investments is typically higher compared to other two buckets, however the expected returns are also disproportionate. This bucket will typically form a small part of the overall portfolio.

Portfolio approach is both bottom-up and top-down. Bottom up stock selection is important but bucketing stocks and allocating money in right buckets with the right proportion is equally important. This would allow portfolio manager to generate long term capital appreciation with better risk-reward characteristics.

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid/overnight schemes of Mutual Funds.

**Recommended Investment Horizon:** The recommended investment horizon for this approach is 3-5 Years.

**Risk Factors:**

- The portfolio shall be subject to overall risks borne out of investments in equity and equity related securities.
- Due to the heterogeneity in liquidity in the capital market segment, trades on this segment may not get implemented instantly. The liquidity of the scheme's investments, therefore, is inherently restricted by trading volumes and settlement periods.
- The portfolio may have higher concentration towards a stock or sector, at any given point in time. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the portfolio.
- The Portfolio Manager may, from time to time, invest any un-deployed funds in

liquid schemes of Mutual Funds which will be subject to interest rate risk arising out of changes in key interest rates in the economy.

**II) Edelweiss Focused Mid & Small Cap Portfolio - Series II (Formerly known as Rubik Equity Portfolio)**

**Investment Objective:** The approach mainly focuses on companies that offer long-term business growth through sustainable competitive advantage, promoter integrity and capabilities, strong cash Flows and profitability.

**Benchmark:** Nifty 50 TR Index

**Strategy:** Equity

Allocation of portfolio across types of securities:

Asset Class Allocation	Indicative Allocations (%)
Equity and Equity related Securities	50%-100%
Debt & Money Market Instruments	0%-50%

Minimum Account Size: Rs.50 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time. Accredited Investors: Minimum amount Rs. 25 lakhs or such other amount as decided by the Portfolio Manager at its sole discretion, subject to applicable SEBI Regulations that may come into force from time to time.

**Investment Strategy:** Investment philosophy of the approach is to buy and hold a Portfolio of high growth companies acquired at moderate valuations delivering superior returns over the medium to long term.

The Portfolio Manager will endeavour to identify and select stocks through a value approach. The approach is not expected to have any specific sector bias and shall be sector and industry agnostic.

The following factors may be considered for making investment decisions:

- businesses with sound fundamentals which have good growth prospects,
- Companies that are mispriced; and Companies where there is a possible alignment between the interest of promoters with those of minority shareholders.

Over and above the proprietary model, the Portfolio Manager will do a qualitative assessment to build a multi-cap and sector-agnostic Portfolio. The Portfolio Manager seeks to invest in large, mid and small cap companies listed on the major Indian stock exchanges via equities. The approach does not intend to engage in any complex trading strategies and does not intend to employ leverage.

**Types of Securities:**

The portfolio manager intends to invest in cash equity shares and un-deployed funds in liquid/ overnight schemes of Mutual Funds.

**Recommended Investment Horizon:** The recommended investment horizon for this approach is 3-5 Years

**The Non-Discretionary Portfolio Management Investment Approach:**

Currently the Portfolio Manager does not provide any Non-Discretionary Portfolio Management Investment Approach.

The PMS Investment Strategies stated in this Disclosure Document are available to unsolicited NRI/PIO/FPI (Foreign Portfolio Investors) clients. The Principal Officer may, in his/her sole discretion, permit, as an exception, provision of PMS services as stated in this Disclosure Document to an unsolicited NRI/PIO/FPI clients on completion of certain KYC related additional formalities.

**6. RISK FACTORS -**

The following are the standard risk factors applicable in respect of Discretionary PMS Services, Non-Discretionary PMS Services and Advisory Services as context and nature of such service(s) permit or require:

- i. The name of any of the Investment Approach does not, in any manner, indicate the future prospects or returns. The Investment Approaches do not guarantee any assured return.
- ii. At times, due to the forces and factors affecting the capital market or as per the view of the Portfolio Manager, the Investment Approach may not be able to invest in Securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible Securities amounting to substantial reduction in the earning capability of the Client.

- iii. The Portfolio Manager would not be liable for any loss caused to the Client pursuant to Portfolio Management Services. The Portfolio Manager will however ensure that reasonable care and skill is exercised while tendering advice or making investments on behalf of the Client.
- iv. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the Investment Approach will be achieved.
- v. Past performance of the Portfolio Manager does not indicate its future performance.
- vi. An investment option may not necessarily provide a basis of comparison with other investments carried out in past. There is no assurance that past performances in earlier product will be repeated. Risk arising from the investment objective, investment strategy, asset allocation and quant model risk, market risk, political and geopolitical risk and risk arising from changing business dynamics, which may affect Portfolio returns.
- vii. The Portfolio Management Services are subject to risk arising out of non-diversification as the Portfolio Manager may invest in a particular sector, industry, few/single investee companies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- viii. Investors may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends. The returns of investments in Securities would depend on the happening/non-happening of specified events and the returns may or may not accrue to an investor accordingly.
- ix. The Portfolio Manager and its affiliates are involved in a variety of advisory, management and investment-related/ financial services activities and intend to continue to do so in the future. The Portfolio Manager and any of its affiliate/ group entities may, from time to time, act as asset managers or investment managers or advisers to entities, companies or funds apart from the portfolio management activities

under the PMS. It is therefore possible that the Portfolio Manager and its affiliates may in the course of their business have potential conflicts of interest inter-se different activities.

- x. The Portfolio Manager has included statements / opinions / recommendations in this document, which contain words, or phrases such as "will", "expect", "should", "believe" and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc.
- xi. While utmost care has been exercised, the Company, or any of its officers, employees, personnel, and directors make no representation as to the accuracy, completeness or reliability of the content and hereby disclaim any liability with regard to the same. Recipients of this material should exercise due care and read this Disclosure Document (including if necessary, obtaining the advice of tax/ legal/ accounting/ financial/ other professionals) prior to taking of any decision, acting or omitting to act. This Document is solely for the information and understanding of intended recipients only. Further, the recipient shall not copy/ circulate contents of this Document, in part or in whole, or in any other manner whatsoever without prior and explicit approval of the Company.
- xii. The tax implications provided in this document are for general purposes only and is based on advice that the Portfolio Manager has received regarding the tax laws and practice that is currently in force in India and the Client should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Portfolio will endure

indefinitely. In view of the individual nature of tax consequences, each Client is advised to consult his/her own professional tax advisor.

- xiii. To implement a decision of the Client regarding investments (other than under Discretionary PMS Services), the Portfolio Manager would have to employ the services of persons and bodies who are not the Portfolio Manager's employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.
- xiv. The Portfolio Manager will not be liable for any financial loss arising from the Portfolio Manager not being able to sell the shares on behalf of the Client in case the original shares are lost or stolen whilst shares were in transit.
- xv. The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the Client.
- xvi. The Portfolio Manager may not be able to lend out Securities which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

**Risks associated with investments in Equity and equity related instruments:**

Some of the common risks associated with investments in equity and equity linked Securities are mentioned below. These risks include but are not restricted to:

- i. Equity and Equity related Securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- ii. The value of the Portfolio will fluctuate as the daily prices of the individual Securities in which they invest fluctuate and may be worth more or less than its original cost, at a given point in time.
- iii. In respect of investments in equity and equity-related instruments, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related Securities.
- iv. The value of the Portfolio may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual Securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- v. The Portfolio Manager may invest in stocks, which may or may not be undervalued with the anticipation of increase in price. However, the stocks may languish and may not attain the anticipated price.
- vi. The Portfolio is subject to investment style risk; the product may have a contrarian style of investment, the Portfolio performance may not be in line with the general market in scenarios of strong upward or downward cycles. Further, the prices of Securities under the relevant Investment Approach may not behave as expected by Portfolio Manager, this may affect the returns adversely.
- vii. In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related Securities.

- viii. In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- ix. The Portfolio may have higher concentration towards a particular stock or sector, at a given point in time.
- x. Any change in government policy or any other adverse development with respect to such a stock or the sector, may adversely affect the value of the Portfolio.

**Risks associated with investments in Fixed Income Securities:**

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not limited to:

- i. **Interest Rate Risk:** As with all debt Securities, changes in interest rates will affect the valuation of the Portfolios, as the prices of Securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term Securities generally fluctuate more in response to interest rate changes than do shorter-term Securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market Securities and thereby to possibly large movements in the valuation of Portfolios.
- ii. **Liquidity or Marketability Risk:** This refers to the ease at which a Security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Money market Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Portfolio and may lead to the Portfolio incurring losses till the Security is finally sold. This refers to the ease with which a Security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Any investment in fixed income carries high degree



of risk due to their illiquidity. Additionally, there may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client's Portfolio. Such investments may be of a medium-to-long term nature. However, there can be no guarantee that such realizations shall be achieved and the Portfolio's investments may remain illiquid. Delays or other problems in settlement of transactions could result in temporary periods when the assets are un-invested and no return is earned thereon.

- iii. **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income Security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the Security). Due to this risk, the debentures are sold at a yield spread above those offered on treasury Securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income Security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default. The fund manager will endeavor to manage credit risk through in-house credit analysis. The Portfolio Manager may also use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Client Portfolios.
- iv. **Credit Rating Risk:** Different types of Securities in which the Portfolio Manager would invest as given in the product note carry different levels and types of risk. Accordingly, the Securities' risk may increase or decrease depending upon their investment patterns. e.g. corporate bonds carry a higher amount of risk than Government Securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.
- v. **Re-investment Risk:** Investments in fixed income Securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- vi. **Pre-payment Risk:** Certain fixed income Securities give an issuer the

right to call back its Securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Portfolio Manager to reinvest the proceeds of such investments in Securities offering lower yields, resulting in lower interest income for the Portfolio.

The above are some of the common risks associated with investments in fixed and money market Securities including derivatives. There can be no assurance that a Portfolio's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

**Risk Factors associated with investments in Derivatives:**

- i. The Portfolio Manager intends to use exchange traded derivatives as a hedging tool & does not intend to take any naked positions. Nevertheless, trading in derivatives market has risks and issues concerning the use of derivatives that investor should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds.
- ii. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Even a small price movement in the underlying Security could have a large impact on their value. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- iii. The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in Securities and other traditional investments.
- iv. As and when the product trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Portfolio and the ability to forecast price or interest rate movements correctly. There is

a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying Security could have a large impact on their value.

- v. Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.
- vi. The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- vii. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- viii. Investments in index futures face the same risk as the investments in a Portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.
- ix. Risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potential high volatility of the futures markets.

**Risk Factors associated with investments in units of Mutual Fund schemes:**

- i. Mutual funds invest across equity, money market & debt instruments. The risk factors affecting such instruments are mainly as follows- Market risk, Inflation risk, Interest rate risk, Currency risk, Credit risk, Regulatory/legal risk.
- ii. The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds or in money market instruments. Though the Portfolio of liquid funds is expected to comprise of short-term deposits, government Securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible.
- iii. Liquid fund returns are not guaranteed and it entirely depends on market movements.

- iv. In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may receive had the Client invested directly in the underlying mutual fund schemes in the same proportions.

**Risk of Quantitative Investing:**

- i. Asset allocation based on quantitative analysis may perform differently from the market as a whole due to the factors used in the analysis and the weight placed on each factor and markets behaves differently from the factor's historical trends.
- ii. If the strategy of the Portfolio is to always remain diversified across all asset class, it may tend to underperform the best performing asset class at any given point of time.
- iii. If Portfolio seeks to allocate assets dynamically, based on certain market factors, there could be times when the allocation calls may go wrong. In other words, Portfolio may go overweight on an asset class, which subsequently may underperform or vice versa. However, the severity of impact will be lower due to its built-in feature of asset allocation.
- iv. If Portfolio proposes to invest in ETFs / Mutual Fund schemes, there will be a double layer of charges, one from the underlying ETFs / Mutual Fund schemes and the other at the Portfolio level and all the risks related to the underlying ETFs and mutual fund schemes are by default the risk associated with the Portfolio.

**Risks pertaining to the index linked Securities:**

- i. Performance of the reference index will have a direct bearing on the performance of the approach.
- ii. In the event the reference index is dissolved or withdrawn by the index provider, such as, India Index Services Ltd. (IISL) (for NSE- Nifty), BSE for S&P BSE Sensex etc., in case of Securities such as debenture, the debenture Trustees upon request by the issuer may modify the terms of issue of debentures, so as to track a

different and suitable index and appropriate intimation will be sent to the debenture holders.

- iii. Tracking errors are inherent in any equity index linked Security and such errors may cause the equity index-linked Security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index. Such variations, referred to as tracking error, are expected to be around 2% per annum, but may vary substantially due to several factors.
- iv. Any delay experienced in the purchase or sale of Securities due to liquidity of the market, settlement and realization of sales proceeds and the registration of any Security transfer and any delays in receiving cash and scrip dividends and resulting delays in reinvesting them.
- v. The reference index reflects the prices of securities at close of business hours.
- vi. The index provider undertakes a periodic review of the scripts that comprise the reference index and may either drop or include new securities.

**Risks pertaining to investment in Gold Exchange Traded Funds (Gold ETFs):**

The risk associated with the Gold Exchange traded Funds will be as provided in the risk disclosure document of various schemes. Some of the specific risk factors pertaining to investments in Gold ETFs as part of the strategy include, but are not limited to the following:

- i. **Market Risk:** The value of the units of the Gold ETF relates directly to the value of the gold held by the relevant Gold ETF and fluctuations in the price of gold could adversely affect investment value of the units of the Gold ETF. The factors that may affect the price of gold, inter-alia, include economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, etc.
- ii. **Currency Risk:** The formula for determining net asset value of the units of the relevant Gold ETF is based on the imported (landed) value of gold. The

landed value of gold is computed by multiplying international market price by US dollar value. The value of gold or net asset value of the relevant Gold ETF, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion.

- iii. Counterparty Risk: There is no exchange for physical gold in India. The relevant Gold ETF Scheme ("Scheme") may have to buy or sell gold from the open market, which may lead to counter party risks for the Scheme for trading and settlement.
- iv. Asset Class Risk: The returns from physical gold in which the relevant Scheme invests may underperform returns from the Securities or other asset classes.
- v. Physical gold held by Gold ETFs: There is a risk that part or all of the Scheme's gold could be lost, damaged or stolen. Access to the Scheme's gold could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme and consequently on investment in units.
- vi. Liquidity Risk: A Gold ETF has to sell gold only to bullion bankers/traders who are authorized to buy gold. Though, there are adequate number of players (commercial or bullion bankers) to whom the Scheme can sell gold, the Scheme may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses.
- vii. Regulatory Risk: Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Authorised Participant to arbitrage resulting into wider premium/ discount to NAV of the relevant Gold ETF. Any changes in the regulations relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the Scheme to buy/sell gold against the purchase and redemption requests received.
- viii. Passive Investments: An ETF Scheme may not be actively managed. The performance of the Scheme may be affected by a general price decline in the

gold prices. The Scheme invests in the physical gold regardless of their investment merit. The relevant approach may not attempt to take defensive positions in declining markets.

- ix. Indirect taxation: For the valuation of gold by the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation would affect the valuation of the Scheme.
- x. Operational Risks: Gold ETFs are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Any Gold ETF is therefore subject to operational risks. In addition, investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power.
- xi. Redemption Risk: The Scheme would ordinarily repurchase units in creation unit size. Unit holding less than creation unit size can only be sold through the secondary market on the stock exchange. Further, the price received upon the redemption of units of the Scheme may be less than the value of the gold represented by them.
- xii. The units of Gold ETFs are issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual funds depends up on the confirmations to be received from depository (ies) on which the mutual fund has no control. Accordingly, the Portfolio Manager shall not have any control on the above said transactions either.

#### **Other Risks**

- (i) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment in a particular Investment Approach. In such situation the Clients may suffer opportunity loss.
- (ii) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not

allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

- (iii) Changes in Applicable Law may impact the performance of the Portfolio.

## 7. 7.1 CLIENT REPRESENTATION

### (i) CATEGORIES OF CLIENTS SERVICED FOR LAST 3 YEARS:

The Company received registration from the SEBI as a Portfolio Manager on August 19, 2024 and has not commenced its operations. Therefore, this Clause is not applicable.

### (ii) Investments in the securities of associates/related parties of Portfolio Manager:

The Company received registration from the SEBI as a Portfolio Manager on August 19, 2024 and has not commenced its operations. Therefore, this Clause is not applicable.

**7.2 Complete disclosure in respect of transactions with related parties as per the standards specified by the ICAI on the basis of the audited financial statement as at March 31, 2024 as stated under Capital Account transaction during the year in the following format:**

(Rs. in thousands)

Sr. No.	Nature of Transaction	Related party name	For the financial year ended March 31, 2024
1	Purchase of debentures from	ECL Finance Limited	2,595,454.65
		Nido Home Finance Limited	1,452,500.08
2	Short term loans taken from	Edelweiss Rural & Corporate Services Limited	1,720,000.00
		Edelweiss Financial Services Limited	5,009,878.34



		Edel Finance Company Limited	27,160.00
3	Short term loans repaid to	Edelweiss Rural & Corporate Services Limited	780,000.00
		Edelweiss Financial Services Limited	5,009,878.34
		Edel Finance Company Limited	712,865.22
4	Issue of Compulsorily Convertible Debentures (CCDs) (including Security Premium)	ECap Securities and Investments Limited	1,500,000.00
5	Interest expenses on loans paid to	Edelweiss Rural & Corporate Services Limited	36,478.19
		Edelweiss Financial Services Limited	207,043.67
		Edel Finance Company Limited	23,506.66
6	Interest expense on Compulsorily Convertible Debentures	ECap Securities and Investments Limited	0.27
7	Other reimbursements paid to	Edelweiss Rural & Corporate Services Limited	43.02
8	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	50.95
9	Corporate Guarantee support fees paid to	Edelweiss Financial Services Limited	1,500.00
		ECap Equities Limited	179.56
10	Commission paid to Non-Executive Directors	Tarun Khurana	300.00
		Venkatachalam Ramaswamy	40,000.00
		Ananya Suneja	1,000.00

11	Remuneration paid to	Haider Siddiqui	4,970.85
		Aman Desai	836.92
	<b>Balances with related parties</b>		
12	Compulsorily Convertible Debentures held by (including Security Premium)	ECap Securities and Investments Limited	1,500,000.00
13	Short term loans taken from	Edelweiss Rural & Corporate Services Limited	940,000.00
14	Accrued interest on loans taken from	Edelweiss Rural & Corporate Services Limited	13,986.32
		Edelweiss Financial Services Limited	5,774.26
		Edel Finance Company Limited	(64.40)
15	Trade payables to	ECap Equities Limited	146.50
		Edelweiss Rural & Corporate Services Limited	8.54
16	Other payable to	Edelweiss Rural & Corporate Services Limited	86.25
17	Investments in shares of	Edelweiss Securities and Investments Private Limited	4,097,010.81
	<b>Off Balance Sheet Items</b>		
18	Corporate guarantee received from	ECap Equities Limited	2,468,326.59
		Edelweiss Financial Services Limited	2,500,000.00

### 7.3 LIST OF STOCKBROKERS WHOSE SERVICES ARE UTILIZED FOR PMS ACTIVITIES

List of approved stock brokers -

- a. Spark Institutional Equities Pvt. Ltd.
- b. Equirus Securities Private Limited

The Company may avail securities broking services from other SEBI registered stock-brokers empaneled by the Company from time to time.

### 8. FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER:

#### Summarized Financial Statements - Balance Sheet

	(Rupees in thousands)		
	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	6,372.59	1,118.70	124,985.64
(b) Bank balances other than cash and cash equivalents	-	-	-
(c) Trade receivables	-	-	-
(d) Investments	8,022,753.48	4,097,010.81	4,303,451.95
(e) Other financial assets	-	124.00	-
	8,029,126.07	4,098,253.51	4,428,437.59
<b>Non-financial assets</b>			
(a) Current tax assets (net)	36,633.86	52,652.28	76,120.94
(b) Deferred tax assets (net)	-	-	-
(c) Property, Plant and Equipment	73.16	75.86	80.75

(d) Capital work-in-progress	-	-	-
(e) Intangible assets under development	-	-	-
(f) Right to use assets	-	-	-
(g) Other Intangible assets	-	-	-
(h) Other non- financial assets	3,655.87	1,518.27	1,210.37
	40,362.89	54,246.41	77,412.06
<b>TOTAL ASSETS</b>	<b>8,069,488.96</b>	<b>4,152,499.92</b>	<b>4,505,849.65</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	604.25	600.00	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,053.94	211.82	-
Debt securities	2,560,228.97	-	-
Borrowings (other than debt securities)	959,696.18	693,260.76	857,592.33
Other financial liabilities	1,000.00	-	82,059.85
	3,522,583.34	694,072.58	939,652.18
<b>Non-financial liabilities</b>			
Provisions	469.21	282.30	-
Other non-financial liabilities	1,845.39	1,160.17	8,928.55
	2,314.60	1,442.47	8,928.55

<b>EQUITY</b>			
Equity share capital	730,000.00	730,000.00	730,000.00
Instruments entirely equity in nature	200,000.00	-	-
Other equity	3,614,591.02	2,726,984.87	2,827,268.92
	4,544,591.02	3,456,984.87	3,557,268.92
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,069,488.96</b>	<b>4,152,499.92</b>	<b>4,505,849.65</b>

#### Summarized Financial Statements- Profit and Loss Account

(Rupees in thousands)

	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
<b>Revenue from operations</b>			
Interest income	382,267.31	-	-
Rental Income	-	-	-
Fee and commission income	-	-	-
Sale of commodities	420,336.04	-	-
Net gain on fair value changes	-	(211.39)	4,144,856.76
<b>Total Revenue from operations</b>	<b>802,603.35</b>	<b>(211.39)</b>	<b>4,144,856.76</b>
<b>Other income</b>	<b>(751.85)</b>	<b>5,686.43</b>	<b>-</b>
<b>Total Revenue</b>	<b>801,851.50</b>	<b>5,475.04</b>	<b>4,144,856.76</b>
<b>Expenses</b>			
Finance costs	624,920.14	102,989.38	121,400.66

Impairment on financial instruments	100,660.07	-	-
Purchases of commodities	420,150.22	-	-
Employee benefits expense	7,290.59	1,193.95	-
Depreciation	2.69	4.90	18.55
Other expenses	61,157.64	1,231.94	11,735.42
Total expenses	1,214,181.35	105,420.17	133,154.63
(Loss) / Profit before tax	(412,329.85)	(99,945.13)	4,011,702.13
Tax expenses:			
Current tax	-	316.92	-
Deferred tax	-	-	283,456.75
(Loss) / Profit for the year from continuing operations	(412,329.85)	(100,262.05)	3,728,245.38
Loss from discontinued operations	-	(11,615.44)	(165,935.62)
(Loss) / Profit for the year	(412,329.85)	(111,877.49)	3,562,309.76
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re measurement gain / (loss) on defined benefit plans (OCI)	(64.00)	(22.00)	1,018.00
Other Comprehensive	(64.00)		

Income / (loss)		(22.00)	1,018.00
<b>Total Comprehensive Income / (loss)</b>	<b>(412,393.85)</b>	<b>(111,899.49)</b>	<b>3,563,327.76</b>

9. **PERFORMANCE OF THE PORTFOLIO MANAGER:**

**Disclosure of Performance of the Portfolio Manager for the last 3 years [Regulation 22(4)(e) of SEBI (Portfolio Managers) Regulations, 2020]**

The Company received registration from the SEBI as a Portfolio Manager on August 19, 2024 and has not commenced its operations. Therefore, this Clause is not applicable.

10. **AUDIT OBSERVATION**

The Company received registration from the SEBI as a Portfolio Manager on August 19, 2024 and has not commenced its operations. Therefore, this Clause is not applicable.

11. **NATURE OF COSTS AND EXPENSES:**

The following are indicative types of costs and expenses incurred by the Portfolio Manager for and on behalf of Clients availing the Portfolio Management Services and would be recovered by the Portfolio Manager from respective Clients.

- a. **Investment management and advisory fees:** The fee may be a fixed charge or a percentage of the quantum of funds managed or may be linked to the Portfolio returns achieved or a combination of any of these. Profit/performance may be computed on the basis of highwater mark principle over the life of the investment for charging of performance/profit sharing fees.

*High Water Mark Principle: High water mark shall be the highest value that the Portfolio/account has reached. Value of the Portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.*

*The Portfolio Manager shall charge performance based fee only on increase in Portfolio value in excess of the previously achieved high water mark.*

- b. **Brokerage and transaction costs:** The investments under the Portfolio Management would be usually done through registered members of stock exchange who charge brokerage. In addition to the brokerage, transaction cost, stamp duty, transaction

costs, turnover tax, Securities Transaction Tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker. Any entry or exit loads (if any) and all asset management fees applicable on units of Mutual Funds will also be borne by the Clients.

- c. **Operating Expenses:** In addition to the above, the Client shall be liable to pay all operating expenses in relation to its Portfolio. The operating expenses shall include but are not limited to the below. All such operating expenses charged to the Client shall be within the limits prescribed under applicable laws.
- i. **Custodian/Depository fee:** The charges relating to opening and operation of dematerialized stock accounts, custody and transfer charges for shares, bonds, and units, dematerialization, rematerialisation and other charges in connection with the operation and management of Clients' depository accounts.
- ii. **Registrar and transfer agent fee:** Charges payable to registrars and transfer agents in connection with effecting transfer of Securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges.
- iii. **Audit Fees:** Fees paid to auditors appointed by the Portfolio Manager with respect to the periodic audit of the Client's accounts maintained by the Portfolio Manager.
- iv. **Fund accounting charges:** The charges vary depending on the average investments and Investment Approaches.
- v. **Primary clearing member (PCM) charges (for accounts trading derivatives):** The charges vary depending on the investments and Investment Strategies.
- vi. **Any other miscellaneous expenses including all applicable taxes and duties:** Miscellaneous expenses include but are not limited to documentation costs, administrative expenses including stamp duty incurred by Edelweiss Global Wealth Management Limited to manage the Clients' Portfolio for which supporting statements shall be provided to the Client (if requested by the Client). All expenses will be as per the Agreement as entered into with the Client.

Kindly note that Portfolio Manager does not charge any upfront fees, directly or indirectly, to its Clients.



Any modification in the existing terms, shall be intimated to the Clients by written communication

**FOR EDELWEISS FOCUSED MID & SMALLCAP PORTFOLIO**

Upfront Fees (including GST)	NIL
Option I	Fixed Management Fee: 2.5% per annum (p.a.) of the daily average assets under management in the portfolio
Option II	<p>(i) Fixed Management Fee: 1.5% p.a. of the daily average assets under management in the portfolio</p> <p>(ii) Profit Share Fee (charged on High Water Mark basis):</p> <ul style="list-style-type: none"> <li>• For returns up to 15% p.a. before tax - Nil</li> <li>• For returns above 15% p.a. before tax - 20%</li> </ul>
Custody Fee	4 bps p.a. of the daily average assets under management in the portfolio
Transaction Charges	NIL
Fund Accounting Fees	4 bps p.a. of the daily average assets under management in the portfolio
Brokerage	Brokerage shall be charged at actuals
Account Opening & Closing	NIL
Account Maintenance	NIL
Professional Fees for NRI Nil Clients	NIL
Exit Load	<p>Withdrawal before completion of 1 year, an exit load @ 3% will be charged.</p> <p>Withdrawal after completion of 1 year but before completion of 2 years, an exit load@ 2% will be charged.</p> <p>Withdrawal after completion of 2 years but before completion of 3 years, an exit load @ 1% will be charged.</p>

	<p>Withdrawal after completion of 3 years, .no exit load will be charged.</p> <p>Exit load period will continue from date of respective Capital Inflow.</p>
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**FOR EDELWEISS FOCUSED MID & SMALL CAP PORTFOLIO - SERIES II**

Upfront Fees (including GST)	NIL
Option I	Fixed Management Fee: 2.5% per annum (p.a.) of the daily average assets under management in the portfolio
Option II	<p>(i) Fixed Management Fee: 1.5% p.a. of the daily average assets under management in the portfolio</p> <p>(ii) Profit Share Fee (charged on High Water Mark basis):</p> <ul style="list-style-type: none"> <li>• For returns up to 12% p.a. before tax - Nil</li> <li>• For returns above 12% p.a. before tax - 15%</li> </ul>
Custody Fee	4 bps p.a. of the daily average assets under management in the portfolio
Transaction Charges	NIL
Fund Accounting Fees	4 bps p.a. of the daily average assets under management in the portfolio
Brokerage	Brokerage shall be charged at actuals
Account Opening & Closing	NIL
Account Maintenance	NIL
Professional Fees for NRI Nil Clients	NIL
Exit Load	<p>Withdrawal before completion of 1 year, an exit load @ 3% will be charged.</p> <p>Withdrawal after completion of 1 year but before completion of 2 years, an exit load@</p>

	<p>2% will be charged.</p> <p>Withdrawal after completion of 2 years but before completion of 3 years, an exit load @ 1% will be charged.</p> <p>Withdrawal after completion of 3 years, no exit load will be charged.</p> <p>Exit load period will continue from date of respective Capital Inflow.</p>
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## 12. TAXATION

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 (Act) nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors/ Clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor / Client is advised to consult his/ her/its own professional tax advisor. The information/ data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment approach and should not be construed as investment advice.

### **Income Tax**

The tax rates applicable to different categories of tax payers for the current FY 2024-25 are as follows:

- A. In this tax chapter, slab rates (as below) under Old Tax Regime which are applicable for individuals / HUF / AOP / BOI are as follows:

Total Income (Rs)	Tax Rate
Up to Rs. 250,000 *(a) (b)	Nil
Rs. 250,001 to Rs. 500,000 (c)	5%
Rs. 500,001 to Rs. 1,000,000	20%
Rs. 1,000,001 and above	30%

- a. In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is Rs 300,000.
- b. In case of a resident individual of age of 80 years or above, the basic exemption limit is Rs. 500,000
- c. A rebate up to Rs.12,500 for resident individual having total Income up to Rs. 500,000

### **Special tax rate for Individual and HUF**

The Finance Act, 2023 has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Financial Year 2020-21 and onwards (subject to certain conditions). The current tax rates in New Tax Regime u/s 115 BAC for FY 2024-25 are as follows:

Total Income (Rs)	Tax Rate
Up to 3,00,000	Nil
From 3,00,001 to 7,00,000	5%
From 7,00,001 to 10,00,000	10%
From 10,00,001 to 12,00,000	15%
From 12,00,001 to 15,00,000	20%
Above 15,00,000	30%

- |   |                          |
|---|--------------------------|
| A. Partnership Firms & Indian Companies | 30% *+ surcharge + cess  |
| B. Non-resident Indians                 | 30% + surcharge + cess   |
| C. Foreign companies                    | 40%** + surcharge + cess |
| D. Categories mentioned below:          |                          |

Category	Rate of Surcharge** and Cess Applicable
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income exceeds Rs 50,00,000 is up to Rs. 1,00,00,000 for the relevant year	<p>Surcharge at the rate of 10 % is leviable on Tax amount.</p> <p>Total amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge</p>

Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 1,00,00,000 but does not exceed Rs 2,00,00,000 for the relevant year	Surcharge at the rate of 15 % is leviable on Tax amount.  The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 2,00,00,000 but does not exceed Rs 5,00,00,000 for the relevant year	Surcharge at the rate of 25 % is leviable on Tax amount.  The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Individuals (including NRIs/PIOs), HUFs, Non-Corporate Foreign Portfolio Investors where the net taxable income is in excess of Rs. 5,00,00,000 for the relevant year	As per old tax regime, Surcharge at the rate of 37 % is leviable on Tax amount. However, as per the new tax regime a maximum of 25% surcharge is leviable on tax amount. The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.
Companies where the net taxable income does not exceed Rs. 1,00,00,000	No surcharge to be levied. Total amount of tax to increase by way of health and education cess at the rate of 4%.
Companies where the net taxable income is in excess of Rs. 1,00,00,000 but less than Rs. 10,00,00,000	Surcharge at the rate of 7% is leviable on Tax amount (2% in case of Foreign Company). The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total
Companies where the net taxable income exceeds Rs. 10,00,00,000	Surcharge at the rate of 12% is leviable on Tax amount (5% in case of Foreign Company). The amount of tax to increase by way of health and education cess at the rate of 4% calculated on total amount of tax plus surcharge.

\*Domestic companies to be taxed at 25% for AY 2024-25 where its turnover or gross receipts during FY 2021-22 does not exceed Rs. 400 crores. For AY 2025-26, Domestic companies to be taxed at 25%, where its turnover or gross receipts during FY 2022-23 does not exceed Rs.

400 crores. For any other domestic company, the tax rate is 30%.

\*Foreign Companies to be taxed at 40% as per Old tax regime.

\*\* surcharge shall be subject to marginal relief.

••• For individuals opting for special tax rate under new regime, the rate of surcharge shall be capped at 25% for income above Rs. 2,00,00,000.

••• the maximum rate of surcharge on tax payable on capital gain as referred to in section 111A, and section 112A shall be 15%.

### Capital Gains Tax

#### *A. Long Term Capital Gains Tax*

##### For Individuals, HUF, Partnerships Firm and Domestic Companies

With effect from FY 2024-25, as per the Act, there will be only two holding periods, 12 months and 24 months. For all listed securities, the holding period is 12 months, and for all other assets, it is 24 months. Thus, listed shares held for a period of more than 12 months will be considered long-term. As per the Act, any long-term capital gains as per Section 112A exceeding Rs. 1.25 lakh arising from the sale of equity shares or units of an equity-oriented fund where such transaction of sale is held on recognized stock exchange and STT has been paid on acquisition and transfer of such capital asset at the time on acquisition and transfer of such capital asset shall be chargeable to tax at the rate of 12.5% (plus applicable surcharge and cess)

Long-term capital gains in respect of other Mutual Fund units will be chargeable under Section 112 of the Act, at concessional rate of tax, at 20% (plus applicable surcharge, cess) after extending benefit of indexation.

#### *B. Short Term Capital Gains Tax*

##### For Individuals, HUF, Partnerships Firm and Indian Companies

With effect from 23rd day of July, 2024, as per the Act, short-term Capital Gains is added to the total income. Total income including short-term capital gain is chargeable to tax as per the relevant slab rates. However, tax on short term capital gains as per Section 111A on sale of equity shares or units of equity oriented funds on a recognized stock exchange, which are subject to Securities Transaction Tax, would be at 20% (plus applicable surcharge and an cess).

#### NOTE:

*The enhanced surcharge of 25% or 37% is not levied on income by way of dividend or from income chargeable to tax under section 111A, 112, 112A and 115AD(1)(b). Hence the maximum surcharge rate on tax payable on such income shall be 15%.*

### **Provisions regarding Dividend stripping and Bonus stripping**

According to the provisions of Section 94(7) of the Act, losses arising from the sale/transfer of Securities/units purchased within 3 months prior to the record date {for entitlement of dividends} and sold within 3 months in case of Securities and within 9 months in case of units after such date, is disallowed to the extent of income on such units claimed as tax exempt.

According to the provisions of Section 94(8) of the Act, if an investor purchases units within 3 months before the record date {for entitlement of bonus} and sells/redeems the units within 9 months after that date, and by virtue of holding the original units, he becomes entitled to bonus units, then the loss arising on transfer of original units shall be ignored for the purpose of computing his income chargeable to tax. In fact, the loss so ignored will be treated as cost of acquisition of such bonus units.

### **Tax Deduction at Source on Capital Gain**

No income-tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents. However, the provisions of section 195 of the Act may apply to non-residents (other than Foreign Portfolio Investors and long-term capital gains).

### **Tax Deduction at Source on Dividend**

Finance Act, 2020 has made an amendment to the Act and has abolished distribution tax on dividend or income distributed by domestic Companies, mutual funds etc. Accordingly, the same will now be liable to TDS as under and fully taxable in the hands of the investors:

TDS of 10% on dividend declared and distributed to a resident shareholder by Indian Company. However, if the said shareholder is an individual, then no TDS will be done if the aggregate of dividend distributed or paid or likely to be distributed or paid to him / her during the financial year under consideration does not exceed five thousand rupees and the said payment / distribution is made by any mode other than cash.

TDS of 10% on income distributed to resident unit holders in respect of units of a mutual fund, units from the administrator of specified undertaking or units of specified company. However, TDS is not applicable if such an amount paid or credited does not exceed five thousand rupees.

From A.Y. 2021-22 (FY 2020-21) onwards, any income distributed by mutual fund to

resident unit holders, will be subject to TDS under section 194K of Income Tax Act, 1961 @ 10.00%.

#### **Tax Deduction at Source on Interest other than Securities**

TDS is deducted on interest income at the rate of 10% for interest income if in excess of Rs. 40,000 from Bank and Rs.5,000 from others in case of resident investors.

#### **Tax Deduction at Source on Interest from Securities**

TDS is deducted on interest income from securities at the rate of 10% in case of resident investors.

In case of debentures issued by a company in which public are substantially interested (which includes a listed Company as well) to resident individual and HUF, TDS is to be withheld at the rate of 10% where interest income is above Rs. 5,000. Accordingly, no TDS is to be withheld in the case of debentures issued by the aforesaid Company to a resident individual and HUF if the interest on such debentures does not exceed Rs. 5,000 and such an interest is given by an account payee cheque.

#### **Other relevant provisions under the Act**

#### **General Anti-avoidance Rule ("GAAR")**

The Act contains GAAR provisions which are currently applicable from April 1, 2017. GAAR provisions empower the Revenue authorities to consider a transaction as an impermissible avoidance arrangement. An impermissible avoidance arrangement has been defined to mean an arrangement whose main purpose is to obtain a tax benefit and which is, inter-alia, lacking in commercial substance. Tax treaty relief may be denied by the Revenue authorities if GAAR provisions are invoked in the case of a taxpayer. There is limited commentary available with regard to how the GAAR provisions should be interpreted or how these provisions may be applied in practice. Material adverse consequences could result for the Fund and / or its investors should GAAR provisions be applied.

#### **13. ACCOUNTING POLICIES/VALUATIONS:**

The Company will follow an accounting and reporting system that is consistent with the Global Investment Performance Standards (GIPS) methodology. The important accounting policies are:



- a) **Client Accounts:** All Client accounts will be maintained separately on an accrual basis based on market values. Accounting will be trade date based (not settlement data based).
- b) **Income Accrual:** Dividend income shall be recognized on the ex-dividend date. Interest income shall be accrued on due dates. Profit or loss on the sale of investments shall be recognized on trade dates. Bonus shares/units to which the Security/scrip in the Portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/Security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.
- c) **Recognition:** Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock exchange, for example, acquisitions through private placement or purchases or sales through private treaty, the transactions shall be recorded, in the event of a purchase, as of the date on which the Portfolio Manager obtains an enforceable obligation to pay the price or, in the event of a sale, when the Portfolio Manager obtains an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.
- d) **Cost of investments:** The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered shall be reduced from the cost of the investment.
- e) **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the Client and defined in the Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Agreement with each Client. The fixed management fee will be as agreed in the Agreement terms and conditions. The performance fees as agreed with the Client in the Agreement will be based on returns over a hurdle rate as agreed in the Agreement, with a high watermark. Performance fees will be charged on performance over the hurdle rate, management fee and any costs of trading. They will be charged quarterly or annually.
- f) **Brokerage:** The Client understands that Edelweiss Global Wealth shall conduct all Securities transactions with its registered brokers or any registered broker at a

brokerage/commission in line with market practices. Each Client shall keep Edelweiss Global Wealth indemnified of such charges.

- g) **Other Expenses:** In addition to the above, the Client shall be liable to pay all operating expenses in relation to its Portfolio. All such operating expenses charged to the Client shall be within the limits prescribed under applicable laws. All applicable taxes shall be charged separately.
- h) **Valuation of Investments:** The Portfolio Manager shall value traded Securities on the basis of closing market rates on the NSE on the relevant valuation date. If Security is not listed on the NSE, latest available quote within a period of thirty days prior to the valuation date on any other major stock exchange (e.g. the BSE) where the Security is listed will be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the Security may be considered non-traded. Government Securities shall be valued at the prices released by an agency recommended by the AMFI. Unlisted, non-traded and all other Securities where a value cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager. Securities held under ESS will be valued at market value.
- i) **Aggregation of trades:** In the event of aggregation of purchases or sales for economy of scale *inter se*, the Portfolio Manager shall do allocation on *pro rata* basis at weighted average price of the day's transaction. The Portfolio Manager will not keep open position in respect of allocation of sales or purchases in a day.
- j) **Holding cost:** In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" method will be followed

#### **14. INVESTOR SERVICES:**

- (a) Name, address and telephone number of the Investor Relations Officer who shall attend to investor queries and complaints.

Name: Ms. Hetal Pandit

Address: Edelweiss House, 15<sup>th</sup> floor, Off. CST Road, Kalina, Mumbai 400 098

Correspondence address:

Edelweiss House, 15<sup>th</sup> floor, Off. CST Road, Kalina, Mumbai 400 098

Tel: 022 - 40795199

E-mail: [pms.investors@edelweissfin.com](mailto:pms.investors@edelweissfin.com)

Grievances, if any, that may arise pursuant to the Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time.

The Portfolio Manager will endeavor to resolve investor grievance at the earliest. All grievances can be sent to the Portfolio Manager at the designated email id: [pms.investors@edelweissfin.com](mailto:pms.investors@edelweissfin.com). Accordingly, the nature of the grievance, the type of account, and the name and contact information of the Client will be recorded.

The Investor Relations Officer will endeavor to respond within five working days of receipt of the grievances through an email.

If within the five working days as mentioned above the grievance has not been resolved or a response has not been received from the Portfolio Manager, the issue can be escalated by sending an email to [pms.compliance@edelweissfin.com](mailto:pms.compliance@edelweissfin.com)

If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor and the Portfolio Manager may abide by the following mechanisms: -

#### **SEBI SCORES PLATFORM**

SEBI has launched a centralized web-based complaints redress system (SCORES), which enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This also enables the market intermediaries and listed companies to receive complaints from investors against them, redress such complaints and report redressal. All the activities starting from the lodging of a complaint to its disposal by SEBI would be carried out online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form.

However, such complaints would be scanned and uploaded in SCORES for processing. Investors can register / lodge complaints online on the SCORES (SEBI Complaints Redress System) portal <http://scores.gov.in/> by clicking on "complaint registration" (<https://scores.gov.in/scores/complaintRegister.html>).

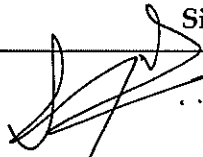
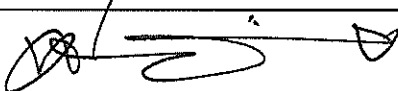
**Online Dispute Resolution (ODR) Platform:** SEBI in consultation with Market Infrastructure Institutions has launched an online dispute resolution portal i.e. SMART ODR which can be accessed by clicking [here](#) Where the investor is not satisfied with the resolution of its complaints by the Portfolio Manager and on SCORES Portal, it can register to resolve its dispute via online arbitration/conciliation on the ODR Platform.

## 15. General

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement ("Discretionary Portfolio Investment Management Agreement, Non-Discretionary Portfolio Investment Management Agreement and Advisory Agreement") between themselves.

The PMS Investment Approaches stated in this Disclosure Document are not available to unsolicited NRI/PIO/FPI (Foreign Portfolio Investors) clients. With effect from the date of this Disclosure Document the Principal Officer may, in his/her sole discretion, permit, as an exception, provide PMS services as stated in this Disclosure Document to an unsolicited NRI client on completion of certain KYC related additional formalities.

For Edelweiss Global Wealth Management Limited

Sr. No.	Name of Director	Signature
1.	Ananya Suneja	
2.	Tarun Khurana	

Date: December 27, 2024  
Place: Mumbai

**FORM C****Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020  
[Regulation 22]****Edelweiss Global Wealth Management Limited**

Edelweiss House, 15<sup>th</sup> Floor,

Off C.S.T. Road, Kalina,

Mumbai 400 098

We confirm that:

1. The Disclosure Document (the document) forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;
2. The disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us/ investment in the Portfolio Management;
3. The document has been duly certified by M/s. NGS & Co. LLP, Chartered Accountants, having its office at B/46, Pravasi Industrial Estate, Vishweshwar Nagar, Goregaon East Mumbai -400063 having firm Registration Number 119850W / W100013 vide certificate issued on December 27, 2024 to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision.

**For Edelweiss Global Wealth Management Limited**



**Prolin Nandu**

**Principal Officer**

Address: Edelweiss House, 15<sup>th</sup> Floor Off C.S.T. Road, Kalina,  
Mumbai 400 098.

Date: December 27, 2024

Place: Mumbai

**Edelweiss Global Wealth Management Limited**

Corporate Identity Number: U67100MH2007PLC353035

Registered Office: Edelweiss House, 15<sup>th</sup> Floor. Off. C.S.T. Road, Kalina. Mumbai - 400 098 Tel No. +91 22 4079 5199

Email ID: [cs@edelweissfin.com](mailto:cs@edelweissfin.com)

The Compliance Officer  
**Edelweiss Global Wealth Management Limited**  
Edelweiss House, 15<sup>th</sup> floor, Off. CST Road, Kalina, Mumbai - 400098.

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

We have been requested by **Edelweiss Global Wealth Management Limited** (the Company) having registered office at Edelweiss House, 15<sup>th</sup> floor, Off. CST Road, Kalina, Mumbai - 400098 and having SEBI Registration No. INP000008880, to certify the contents and information provided in the Disclosure Document dated December 27, 2024 ("Disclosure Document") required to be filed with the Securities and Exchange Board of India (SEBI) as per Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (the SEBI Regulations).

**Management's responsibility**

The Management of the Company is responsible for the maintenance of the books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation and presentation of the Disclosure Document.

The Disclosure Document and compliance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 is the responsibility of the Management of the Company.

**Our responsibility**

We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.

For the purpose of this certificate, we have planned and performed the required procedures to determine whether anything has come to our attention that causes us to believe that the aforementioned Disclosure Document is not in compliance with the SEBI Regulations.

We have verified the Disclosure Document and the details with the respective documents provided by the Management of the Company and have relied on various representations made to us by the Management wherever necessary.



B - 46, 3rd Floor, Pravasi Estate, V. N. Road, Goregaon (E), Mumbai - 400 063.

Tel. : +91. 22. 49084401 | Email: info@ngsco.in

www.ngsco.in



We have relied on the representation given by the Management about the penalties or litigation against the Portfolio Manager mentioned in the Disclosure Document. We are unable to comment on the same.


### **Conclusion**

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

Based on our examination of the attached Disclosure Document and other relevant records and information furnished by Management, we certify that the disclosures made in the attached Disclosure Document for Portfolio Management are true, fair and adequate to enable the investors to make a well informed decision.

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

**For NGS & Co. LLP**  
**Chartered Accountants**  
**Firm Registration No.: 119850W / W100013**

  
**R. P. Soni**  
**Partner**  
**Membership No.: 104796**



UDIN: 24104796BKBJIH6078

Place: Mumbai  
Date: December 27, 2024