

TERM SHEET - IIFL MULTICAP ADVANTAGE PMS

This is with reference to the Portfolio Management agreement executed between yourselves (the “client”) and IIFL Asset Management Limited (the “Portfolio Manager”) relating to the terms and conditions governing the portfolio management services availed by you from the Portfolio Manager.

Under the Portfolio Management Services availed, I/We wish to invest in **IIFL Multicap Advantage PMS** (hereinafter referred to as “Strategy”) on the following agreed terms and conditions:

IIFL MULTICAP ADVANTAGE PMS							
Type of Strategy	Discretionary Portfolio Management Services						
Portfolio Manager	IIFL Asset Management Limited. (IIFL AMC)						
Basic Theme	The objective of the strategy is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities.						
Strategy	<p>The investment strategy is to invest in companies & sectors that are available at significant discount to their intrinsic value and provide earnings visibility. The strategy takes a concentrated position in stocks and sectors and endeavors to strategically change allocation between sectors depending on changes in the business cycle.</p> <ul style="list-style-type: none"> Equity Investment – up to 100% of corpus Put Options – up to 8% of Corpus* Liquid schemes of Mutual funds and other securities as per discretion of Portfolio Manager 						
Recommended Time Horizon	Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is minimum 36 months						
Minimum Investment Amount	INR 25 Lakhs						
Management fee	2.50% per annum. Management fee will be computed on Daily NAV (charged monthly)						
Placement fee	Upto 2% of Invested Amount						
Benchmark	Nifty 50						
Brokerage	Cash – 0.12% of transaction value (plus applicable statutory levies) Options – 1% of the total consideration or Rs 100, whichever is higher						
Other charges	Statutory/Other charges as applicable (STT/Demat/Goods & Service tax/audit/custodial charges etc.). Charges to be levied on actual basis @						
Exit Fees	<table border="0"> <tr> <td>Less than 12 months</td> <td>– 3% of amount withdrawn</td> </tr> <tr> <td>12 months or more but less than 24 months</td> <td>– 2% of amount withdrawn</td> </tr> <tr> <td>24 months or more but before 36 months</td> <td>– 1% of amount withdrawn**</td> </tr> </table>	Less than 12 months	– 3% of amount withdrawn	12 months or more but less than 24 months	– 2% of amount withdrawn	24 months or more but before 36 months	– 1% of amount withdrawn**
Less than 12 months	– 3% of amount withdrawn						
12 months or more but less than 24 months	– 2% of amount withdrawn						
24 months or more but before 36 months	– 1% of amount withdrawn**						
Roll over of Hedge	On expiry of the put, the portfolio manager will roll over the hedge by buying another 3 year put option. In case investors intend to switch to unhedged option, notice has to be provided to the portfolio manager at least 1 week prior to maturity of the option. In case the investor chooses to exit, the put option purchased shall be sold in the secondary market at available prices, which may result in mark to market (MTM) losses						

*In case put options are not available in the suitable lots to hedge the equity investment(s), the Investment Manager may invest in available lots which may result in either hedge exposure (i.e contract value of put option) exceeding the value of equity investment(s) or hedge exposure being lesser than value of equity investments (upto 10%). The Investment Manager, has discretion to buy Put options across tenors (1-3 years)

@GST credit shall not be available on brokerage and other expenses like custody, audit etc as they are settled at the pool level

**Exit load shall be calculated on the redemption value of the portfolio on the date of redemption.

SIGNATURE	SIGNATURE	SIGNATURE
First Holder/ Authorised Signatory	Second Holder/ Authorised Signatory	Third Holder/ Authorised Signatory

TERM SHEET - IIFL MULTICAP ADVANTAGE PMS

KEY RISK FACTORS:

1. Investments in the equity shares of the Companies are subject to price fluctuation on daily basis. The volatility in the value of equity is due to various micro and macro-economic factors like economic and political developments, changes in interest rates, etc. affecting the securities markets. This may have adverse impact on individual securities and consequently on the Net Asset Value of the Portfolio.
Potential Loss of Principal: It is possible that the client may receive zero or negative return (loss of capital) over the Investment period.
2. The value of the Portfolio investments, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Thus there is no assurance or guarantee that the objectives of any of the Portfolios will be achieved. The investments may not be suited to all categories of Investors.
3. 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.
4. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options. The Portfolio Manager may choose to invest in unlisted securities that offer attractive yields. This may, however, increase the risk of the portfolio. Additionally, the liquidity and valuation of the portfolio investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.
5. Past performance of the Portfolio Manager does not guarantee the future performance.
6. The name of the Strategy does not in any manner indicate either the quality of the Strategy or its future prospects and the returns.
7. Force Majeure: If, for reasons beyond the control of the Portfolio Manager, the performance of the portfolio is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Portfolio Manager, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Portfolio Manager may at its discretion and without obligation to do so, redeem the investment.

OTHER TERMS & CONDITIONS:

- a) Client hereby confirms that they have read and understood the contents of the Disclosure Document as prepared in accordance with Schedule V of the SEBI (Portfolio Managers) Regulations 1993, along with the certificate in Form C as prepared in accordance with Schedule I of the said regulation and that it was provided to them at least two days prior to entering into the PMS agreement.
- b) This term sheet shall become effective on both parties signing this term sheet and constitutes a complete and exclusive understanding of the terms of strategy between the parties and supersedes and revokes all previous agreements, if any, pertaining to this strategy. Any amendments, modifications and / or alterations to the provisions of this term sheet, shall be effected only by mutual consent expressed in writing. In case of any inconsistency between the provisions of this term sheet and Original Portfolio Management Agreement, the terms contained in this agreement shall prevail. All other terms and conditions of the Original Portfolio Management Agreement shall continue be applicable mutatis mutandis as specifically incorporated herein.

DEFINITIONS:

- a) **Equity** and Equity Related Securities– Includes Listed / Unlisted Stocks, Equity Derivatives, Preference shares, ETF's, Equity Funds, Equity Oriented Balanced Funds, Non Principal Protected Structured Products and any security / fund which has equity as an underlying asset class.
Equity related instruments are securities which give the holder of the security right to receive equity shares and includes share warrants, convertible preference shares and compulsorily or optionally convertible debentures

SIGNATURE	SIGNATURE	SIGNATURE
First Holder/ Authorised Signatory	Second Holder/ Authorised Signatory	Third Holder/ Authorised Signatory

TERM SHEET - IIFL MULTICAP ADVANTAGE PMS

DISCLAIMERS:

1. This Term Sheet is for Circulation to Resident Indians only.
2. The past performance of the Portfolio Manager in any Portfolio is not indicative of the future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services. There is no assurance or guarantee that the objectives of the securities advised or managed by Portfolio Manager will be achieved.
3. Investors should carefully read all disclosure document and terms and conditions of this Term Sheet before investing and shall not make IIFL AMC and/or its associates/employees liable for any risks/losses pertaining to any products launched / advised IIFL AMC from time to time.
4. Recipient shall understand that the aforementioned details cannot disclose all the risks and characteristics. The recipient is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile, and the like and take professional advice before investing.
5. For tax consequences, each client is advised to consult his / her own professional tax advisor.

DISCLOSURES:

I / We understand that:

- a) IIFL AMC and its group, associate companies are engaged in providing various financial services and for the said services (including the service for acquiring and sourcing the securities acquired/advised under PMS) the said companies may earn fees or remuneration in form of arranger fees, distribution fees, referral fees, advisory fees, management fees, trustee fees, Commission, brokerage, transaction charges, underwriting charges, issue management fees and other fees.
- b) IIFL AMC acts as Investment Manager and associate companies act as Trustee to Scheme(s) of Mutual Fund, Alternative Investment Funds and Venture Capital Fund in which Portfolio Manager may invest and accordingly they may earn management and trustee fees, for the same.
- c) The trades may be executed by the Portfolio Manager through IIFL Wealth Management Limited as Stock Broker/ Authorized Person of India Infoline Limited (IIL) for stock broking business and for the same said entities may receive brokerage / commission.
- d) Apart from above, investment may be made in securities of associates & group companies, investment transaction may be done with IIFL AMC, its associates and group companies as counterparties and IIFL AMC, its associates may receive various forms of remuneration linked to the transactions done in-connection with trades of Portfolio Management Services offered to the Client.
- e) The Portfolio Manager may invest(s) in securities / mutual fund(s) / instruments, as distributed by IIFL Wealth Management Limited (IIFW) holding company for IIFL Asset Management Limited, for which the associate/group company may receive distribution or other commission/fee

SIGNATURE	SIGNATURE	SIGNATURE
First Holder/ Authorised Signatory	Second Holder/ Authorised Signatory	Third Holder/ Authorised Signatory

TRANSACTION AUTHORIZATION - IIFL MULTICAP ADVANTAGE PMS



Client Name	
Amount (INR)	
Payment Mode	
Placement Fee (Upto 2% of Invested Amount)*	

*** If the Placement Fee is not mentioned herein above, default 2% Placement fee will be charged.**

I/We agree that IIFL AMC and/or its Associates/Employees/ Directors shall not be liable or responsible in any manner whatsoever for the risk/losses if any pertaining to this investment / disinvestment.

I/We declare that the terms of IIFL Multi-cap Strategy is as per my/our investment objectives and suitable for me/us.

I/We hereby undertake and confirm that I/we are registered with Central KYC Registry Agency and KYC Registration Agency (KRA), and are KRA compliant.

(Client is to write in his/her own handwriting that "I/We have read the complete Fee Structure, Annexure I and understood it.")

Signature	Signature	Signature
First Holder/Authorised Signatory	Second Holder/ Authorised Signatory	Third Holder/Authorised Signatory

1) Witness: Name Address and Signature

2) Witness: Name Address and Signature

For IIFL Asset Management Ltd.

(Authorized Signatory)

FOR OFFICE USE

Client Name	
Existing Client	YES / NO
KYC is approved by KRA in case of new client	YES / NO / Applied
Original PMS Agreement is available (Date)	YES ()

Name: _____

Signature: _____

(Signature from authorized signatory from Operations Team)