

Portfolio Management Policy Document

[As per SEBI (Portfolio Managers) Regulations, 2020 and Circulars issued thereon]

Effective Date: 30th July 2025

Version: 1.1

Approved By: Designated Partners

Review Frequency: Annually or as required by regulatory changes

1. Objective

This Policy sets out the internal procedures and control measures adopted by Valtrust Partners LLP the Portfolio Manager registered with the Securities and Exchange Board of India (SEBI) to ensure fair, compliant, and efficient delivery of Portfolio Management Services (PMS) to clients. The Policy defines the standard practices followed for client onboarding, investment management, mitigation of conflict of interest, record maintenance, and segregation of operational activities, in accordance with the relevant SEBI regulations, rules, and circulars.

2. Account Opening Procedure / Onboarding of Clients (Including KYC)

Client onboarding is conducted as per SEBI's regulatory framework and guidelines, and includes the following steps:

- Providing the client with the Disclosure Document, fee calculator link and ensuring all material aspects of the Portfolio Management Service, including risks and features, are explained and understood.
- Collecting and verifying Know Your Client (KYC) documents such as Permanent Account Number (PAN), Aadhaar Card, address proof, and bank account details, as mandated under SEBI regulations and the requirements of KYC Registration Agencies (KRAs).
- Completing the Anti-Money Laundering (AML) screening process and performing due diligence on the client as required by applicable laws.
- Execution of a legally binding Client Agreement setting out the terms of engagement, the scope of services, responsibilities and obligations of both parties.
- Obtaining a Power of Attorney (PoA) in case of Discretionary & Non-discretionary PMS client, that enables the Portfolio Manager to manage client funds and/or securities in accordance with the executed agreement.
- Conducting a thorough risk profiling exercise to assess the client's financial objectives, investment experience, and risk appetite for the purpose of designing suitable investment strategies.
- Ensuring that all client data, documents, and records—including KYC data and agreements—are stored in a secure manner and confidentiality is maintained at all times in line with applicable data protection laws.

3. Fees and Charges

The Portfolio Manager levies fees and charges strictly in accordance with the Client Agreement and in compliance with applicable SEBI guidelines, and such fees and charges may include, but are not limited to:

- Fixed management fees calculated based on the portfolio value and terms of the client agreement

OR

- Performance-based fees as per the high watermark principle and terms of the client agreement

OR

- Hybrid fees which include fixed and performance fee components. Fixed management fee is calculated based on portfolio value and performance-based fee calculation follows high watermark principle and terms of the client agreement

AND

- Custodial charges, fund accounting charges, audit fees, and other administrative expenses as incurred.

The complete fee structure, including all heads of charges, is fully disclosed to the client in advance, ensuring transparency at all stages of the relationship. No entry fee is charged. No hidden charges are levied at any stage. Any changes to the fees or charges, if applicable, are communicated in writing and are effected only after receiving prior consent from the client, wherever such consent is mandated.

4. Risk / Investment Profiling

Prior to initiating any investment activities, the Portfolio Manager carries out a comprehensive risk profiling exercise in order to understand and document the client's financial goals, overall risk tolerance, and previous investment experience. The risk profiling process utilizes a detailed Risk Profiling Questionnaire, and the outcomes of the assessment are documented and maintained in the client's records. The results of the risk profiling form the guiding basis for determining the appropriateness and suitability of the investment strategies chosen for each client.

5. Investment Approach

The Portfolio Manager adheres to a meticulously documented and transparent investment methodology. This approach is comprehensively disclosed to clients during the onboarding process and prior to the implementation of any specific investment strategy. The deployed investment strategies may encompass, but are not limited to:

- Equity and Equity-Related Instruments: Investments in various forms of equity and instruments directly associated with equity.



- Debt and other Fixed Income Products: Allocation to debt instruments and other products generating fixed income.
- Hybrid Products: Engagement with investment vehicles that combine characteristics of both debt and equity.

The execution of each investment strategy is contingent upon prevailing market conditions and strictly adheres to all applicable regulatory limitations.

6. Performance of the Portfolio Manager

The Portfolio Manager ensures that the performance of client portfolios is disclosed in a transparent and timely manner to clients. Performance reports are made available to clients at intervals and in a manner stipulated by SEBI regulations and circulars. Portfolio returns are reported accurately and with proper disclosure. No assurance or guarantee of returns is made or implied to clients at any stage.

7. Investment of Clients' Funds and Management of Clients' Securities

Every client's securities are maintained in separate demat accounts held in the individual names of the respective clients. Co-mingling of proprietary funds/securities of the Portfolio Manager or of other clients' assets with any client's assets is strictly prohibited. Investments are executed strictly as per the mandate given by the client and always in the best interests of such client. There are adequate internal mechanisms for authorization, validation, and verification of all transactions and movements pertaining to client funds and securities.

8. Maintenance of Books and Records (Regulations 27 & 29)

The Portfolio Manager maintains complete, accurate, and up-to-date books of accounts and records as mandated by SEBI (Portfolio Managers) Regulations, 2020 and any applicable updates. The records maintained include, but are not limited to: executed client agreements, investment rationale, KYC records, transaction and holding statements, internal and external audit reports, and client performance disclosures. Such records and documents are being retained for a minimum period of eight years or a longer period if required under other applicable laws. Upon request, these records are provided to SEBI or any other lawfully empowered regulatory authority.

9. Advisory Services Provided

The Portfolio Manager is providing investment advisory services under this Portfolio Management Services license as allowed under Regulation 4(g) of SEBI (Investment Advisers) Regulations, 2013. All investment advice is based on thorough research and sound financial analysis. The Portfolio Manager clearly distinguishes all advisory services from discretionary portfolio management by making unambiguous disclosures to clients. All investment recommendations are documented and communicated to clients in a transparent manner.

10. Conflict of Interest

To mitigate and manage conflicts of interest, the following controls are implemented:

- A Chinese Wall policy is maintained to restrict the flow of information between different verticals or teams within the organization.
- All proprietary trading activities are conducted in accounts completely segregated from client accounts and do not have any influence, direct or indirect, on client trades or decisions.
- Any actual or potential conflict of interest is transparently disclosed to the client, together with the steps taken to mitigate or manage such conflict.
- Employees are strictly prohibited from accepting any remuneration, gifts, or incentives from external parties that may influence or appear to influence any professional judgments or decisions.

11. Know Your Client (KYC) Procedure

All KYC processes are carried out in accordance with the rules and guidelines prescribed by SEBI, the Prevention of Money Laundering Act (PMLA), and KRA/CKYC. The KYC process includes:

- Initial verification of the client's identity, proof of address, and financial details,
- Registration with KRA, CKYC, and Financial Intelligence Unit-India (FIU-IND) as provided by applicable laws,
- Ongoing monitoring of client accounts and transactions for identification of suspicious or red flag transactions,
- Immediate escalations and investigation of any discrepancies or irregularities as per established internal compliance protocols.

12. Segregation of Activities

The Portfolio Manager ensures strict segregation between portfolio management services and all other business functions in the following manner:

- Dedicated teams, reporting structures, and operational infrastructure are maintained exclusively for the PMS business,
- Information sharing across departments/teams is controlled through the implementation of physical and electronic access restrictions and firewalls,
- The segregation model is periodically reviewed to ensure effective independence, avoid any conflicts of interest, and remain in compliance with regulatory requirements.

13. Basis of Trade Allocation & Use of Technology

- After the broker provides trade confirmation, trade allocation is performed using the weighted average price method to ensure fairness and transparency.



- Allocation of trades is conducted fairly as per the pre-trade allocation fixed among all eligible client accounts and as per the trade allocation policy adopted by the Board of the Portfolio Manager.
- All trades are executed through SEBI-registered brokers and are documented comprehensively with detailed audit trails.
- Trade allocation processes can be conducted manually or be system-assisted, but in all cases, must follow established and documented regulatory procedures.
- Technology platforms utilized for portfolio monitoring and client reporting are secure, regularly updated, and fully compliant with prevailing industry standards.
- System access is always role-based, all sensitive data is encrypted, and all activity on such systems is actively monitored for security.

14. Review and Monitoring

- The designated Compliance Officer is responsible for continuous monitoring of compliance with all regulatory requirements and internal standards laid down in this policy and by SEBI.
- Internal audits and comprehensive reviews of operations and processes are carried out at least annually to ensure ongoing adherence to the Policy.
- Senior management periodically evaluates the overall effectiveness of this Policy and recommends updates or remedial actions as necessary.
- Any violation of the Policy is formally documented, promptly investigated, and corrective action is taken swiftly in accordance with internal disciplinary mechanisms.

For VALTRUST PARTNERS LLP

Partner / Authorized Signatory

Signature: _____

Name: Arihant S Bardia

Designation: Designated Partner