# 360 ONE Balanced Hybrid FUND

**(An open ended balanced scheme investing in equity and debt instruments)**

**KEY INFORMATION MEMORANDUM**

| This product is suitable for investors who are seeking* | **Scheme Risk-o-meter** | **Benchmark Risk-o-meter** |
|---|---|---|
| • To create wealth and income in the long term;<br>• Investment in equity and equity-related securities and fixed income instruments.<br><br>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them. | <br>Investors understand that their principal will be at High Risk | <br>**Nifty 50 Hybrid Composite Debt 50:50 Index** |

Continuous offer for Units at NAV based prices

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www. iiflmf.com.

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

The KIM is dated October 30, 2023.

| Name of Mutual Fund | Name of Asset Management Company | Name of Trustee company |
|---|---|---|
| **360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund)**<br>360 ONE Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 | **360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited).**<br>Regd. Office: 360 ONE Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 | **360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)**<br>Regd. Office: 360 ONE Centre, 6th floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 |

| Name of sponsor | Name of the Registrar |
|---|---|
| **360 ONE WAM Limited (formally known as IIFL Wealth Management Limited)**<br>Regd. Office: 360 ONE Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 | Computer Age Management Services Ltd. (CAMS)<br>Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034 |

**Name of the Scheme:**
360 ONE Balanced Hybrid Fund

**Scheme Code:**
360O/O/H/BHF/23/07/0007

**Type of the Scheme:**
An open ended balanced scheme investing in equity and debt instruments.

**Investment Objective:**
The Investment Objective of the fund is to generate long term capital appreciation/income by investing in equity and debt instruments.
However, there is no assurance or guarantee that the investment objective of the Scheme will be achieved. The Scheme does not assure or guarantee any returns.

**Asset Allocation Pattern of the Scheme:**
The investment policies of the Scheme shall be as per SEBI (Mutual Funds) Regulations, 1996, and within the following guidelines. Under normal market circumstances, the investment range would be as follows:

| Type of Instruments | Indicative Allocation (% of Net assets) | | Risk Profile |
|---|---|---|---|
| | Minimum | Maximum | |
| Equity or *Equity Related Instruments across market capitalization | 40% | 60% | High Risk |
| Debt and money market instruments# | 40% | 60% | Low to Moderate Risk |

*No Arbitrage would be permitted in this scheme.

*Equity Related Instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time.

#Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

^ The Scheme may undertake stock lending, invest in debt derivatives, structured obligations and credit enhancements as per the following limits:

• The Scheme may take debt derivative positions for hedging purposes and shall not exceed 50% of the debt portfolio.
•Stock lending up to 20% of the net assets subject to 5% cap per single counter party subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, clause 12.11 of SEBI Master Circular dated May 19, 2023, and framework for short selling and borrowing and lending of securities notified by, as may be amended from time to time
• Structured Obligations up to 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:
a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
•b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade assets.

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

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

In accordance with clause 12.24 of SEBI Master Circular dated May 19, 2023the cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions, should not exceed 100% of the net assets of the scheme.

Pursuant to clause 12.25 of SEBI Master Circular dated May 19, 2023 and SEBI Letter to AMFI dated November 03, 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

a) Government Securities;
b) T-Bills; and
c) Repo on Government securities

The Scheme will not participate in foreign securities, equity linked debentures, equity derivatives, preference share, Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), repo transactions of Corporate Debt Securities, debt instruments with special features as specified in clause 12.2 of SEBI Master Circular dated May 19, 2023.

Pending deployment of the funds as per the investment objective of the Scheme, the funds of the Scheme may be parked in short term deposits of the scheduled commercial banks, subject to the guidelines and limits specified by clause 12.16 and 4.5 of SEBI Master Circular dated May 19, 2023as amended from time to time.

**Investment Strategy:**
360 ONE Balanced Hybrid Fund endeavours to meet its objectives mainly from asset allocation across asset classes. This approach will help reduce the risk of tracking the individual asset classes. Based on historical observations, these asset classes exhibit very different risk return profiles and a low correlation to each other. Both debt and equity tend to outperform each other on a relative risk adjusted basis under different market conditions. The fund strategy is based on the persistence of such outperformance over longer periods. The Scheme will allocate higher weight to the asset class that is relatively favourable under the prevailing market and economic conditions. The fund manager will aim for superior risk adjusted returns over long time periods. Please refer SID for detailed investment strategy.

**Risk Profile of the Scheme:** (Please refer SID for complete Risk factors.)
**Risks associated with investing in Equities:**
a. 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/sector and consequently on the NAV of Scheme.

b. The NAVs of schemes investing in equity will fluctuate as the daily prices of the individual securities in which they invest fluctuate and the units when redeemed may be worth more or less than their original cost.

c. The value of the Scheme's 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. Consequently, the NAV of the units of the Scheme may fluctuate and can go up or down.

d. Investors may note that Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

e. 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. Such securities, however, increase the risk of the portfolio. Additionally, the liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

f. The sector weightage in the scheme would be different from that in the Index. Because of this the scheme returns could be divergent from the Index returns and could also under-perform if the sector calls do not go right as expected by the fund management team.

**Risk associated with Investing in Debt and money market instruments:**
The performance of the Scheme may be affected by changes in macroeconomic factors such as Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems, etc.

**Interest Rate/Price risk:** This risk is associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The values of investments will appreciate/depreciate if the interest rates fall/rise. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices generally increase. The extent of fall or rise in the prices depends upon factors such as coupon, residual maturity of the security, micro and macroeconomic scenario as well as the yield level at which the security is being traded.

**Credit Risk/Default risk:** Credit risk is the risk that the issuer of a debenture/ bond or a money market instrument may default on interest &/or principal payment obligations. This risk arises due to any uncertainty in counterparty's ability or willingness to meet its contractual obligations. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. Corporate bonds carry a higher credit risk than Government Securities. Within corporate bonds as well, there are different levels of safety. Credit risks of most issuers of debt securities are rated by independent and professionally run rating agencies. Ratings of Credit issued by these agencies typically range from “AAA” (read as “Triple A” denoting “Highest Safety”) to “D” (denoting “Default”), with about 6 distinct ratings between the two extremes. A bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency. The highest credit rating (i.e. lowest credit risk) commands a lower yield for the borrower. Conversely, a lower rated credit borrower would raise funds at a relatively higher cost. On account of a higher credit risk for lower rated borrowers, lenders prefer higher rated instruments further justifying the lower yields.

**Re-investment Risk:** Investments in fixed income securities may carry re-investment 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.

**Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

**Counterparty Risk:** This is the risk of failure of counterparty to the transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the scheme in case of counterparty default.

**Risk factors associated with processing of transaction in case of investors investing in mutual fund units through Stock Exchange Mechanism:**
The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognized stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing / settlement, etc. upon which the Fund and the AMC have no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s) upon which the Fund and the AMC have no control. Accordingly, there could be negative impacts to the investors such as delay or failure in allotment / redemption of Units. The Fund and the AMC are not responsible for the negative impacts.

**Risks associated with Investing/trading in Derivatives:**
Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of the fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks. The use of a derivative requires an understanding not only of the underlying instrument but 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 a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counterparty”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the Scheme may not be able to sell or purchase derivative quickly enough at a fair price. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

**Risks associated with Securities Lending and Borrowing:**
Securities Lending and Borrowing (“SLB”) is an exchange traded product in India, with trades done on order matching platforms setup by the clearing corporation/house of recognized stock exchanges. In accordance with SEBI guidelines, there is a robust risk management system and safeguards exercised by the clearing corporation/house, which also guarantee financial settlement hence eliminating counterparty risk on borrowers.

The Scheme may participate as a lender in the SLB market and lend securities held in the portfolio for earning fees from such lending to enhance revenue of the Scheme. The key risk to the Scheme is creation of temporary illiquidity due to the inability to sell such lent securities, till the time such securities are returned on the contractual settlement date or on exercise of early recall.

In case the Scheme undertakes stock lending as prescribed in the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to 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 entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities lent. The Fund may not be able to sell such lent securities, and this can lead to temporary illiquidity.

**Risk Mitigation**
Risk is an inherent part of the investment function. Effective Risk management is critical to fund management for achieving financial soundness. Investment by the Scheme would be made as per the investment objective of the Scheme and in accordance with SEBI Regulations. AMC has adequate safeguards to manage risk in the portfolio construction process. Risk control would involve managing risk in order to keep in line with the investment objective of the Scheme. The risk control process would include identifying the risk and taking proper measures for the same. Further, AMC has put in place a Front Office System for managing risk. The system has incorporated all the investment restrictions as per the SEBI guidelines and enables identifying and measuring the risk through various risk management tools like various portfolio analytics, risk ratios, average duration and analyses the same and acts in a preventive manner.

**Dematerialization of Units**
The applicants intending to hold Units in dematerialized mode will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will be required to mention in the Application Form details of the beneficiary account at the time of purchasing Units during the NFO Period. The Account Statement will be sent to those Unit Holders who have opted to hold Units in physical (non-dematerialized) form. However, if the Unit Holder so desires to hold the Units in a dematerialized form at a later date, he will be required to have a beneficiary account with a Depository Participant of the NSDL/CDSL and will have to submit the account statement alongwith the prescribed request form to any of the ISCs for conversion of Units into demat form. Units held in demat from are freely transferable. The AMC will issue the Units in dematerialized form to the Unit holder within two Business Days from the date of receipt of such request.

**Liquidity**
Being an open-ended Scheme, units may be redeemed on every business day at NAV based prices. As per the Regulations, the Fund shall dispatch redemption proceeds within 3 business days (working days) of receiving the redemption request.

**Plans and Options:**
- Regular Plan
- Direct Plan
- Income Distribution cum Capital Withdrawal (IDCW)Option
- Growth Option.

The IDCW will be declared subject to availability and adequacy of distributable surplus. The Income Distribution cum Capital Withdrawal will have facility of Payout of Income Distribution cum Capital Withdrawal (IDCW Payout) and IDCW re-investment.

Default Sub-Option: If the applicant does not indicate the choice of Option in the Application form, the fund accepts the application as being for the Growth Sub-Option.

If the investor chooses IDCW Option and fails to mention facility / frequency, then the default facility will be Reinvestment.

**Applicable NAV (after the scheme opens for repurchase and sale):**
The Cut-off time for the Scheme is 3.00 pm and the Applicable NAV will be as under:
Applicable NAV for Subscriptions / Switch-ins (irrespective of application amount):
1. In respect of valid applications received upto 3.00 p.m. on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time i.e., available for utilization before the cut-off time - the closing NAV of the day shall be applicable.
2. In respect of valid applications received after 3.00 p.m. on a Business Day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase (including switch ins) as per the application are credited to the bank account of the respective Scheme before the cut-off time of the next Business Day i.e., available for utilization before the cut-off

time of the next Business Day - the closing NAV of the next Business Day shall be applicable.
3. Irrespective of the time of receipt of application at the official point(s) of acceptance, where funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Scheme before the cut-off time on any subsequent Business Day - i.e., available for utilization before the cut-off time on any subsequent Business Day - the closing NAV of such subsequent Business Day shall be applicable.
4. The aforesaid provisions shall also apply to systematic transactions i.e., Systematic Investment Plan (SIP), Systematic Transfer Plan (STP).

**For Redemption/ Switch out:**
In respect of valid applications accepted at an Official Point of Acceptance upto 3.00 p.m. on a Business Day, the closing NAV of the same day will be applicable; and in respect of valid applications accepted at an Official Point of Acceptance after 3.00 p.m., the closing NAV of the next Business Day will be applicable.

**Minimum Application Amount:**

- First time Purchase – INR 1000/- and in multiples of INR 1/- thereafter
- Additional Purchase – INR 1000/- and in multiples of INR 1/- thereafter
- Systematic Investment Plan (SIP):
  - Weekly Option* :Rs. 1000/- per instalment for a minimum period of 6 weeks. Default day triggered every Tuesday.
  - Fortnightly Option*: Rs. 1000/- per instalment for a minimum period of 6 fortnights triggered on 2nd & 16th of every month.
  - Monthly Option: Rs. 1000/- per instalment for a minimum period of six months
  - Quarterly Option: Rs. 1000/- per instalment for a minimum period of 6 quarters.

**Note:* Weekly and Fortnightly SIP frequencies are not available on BSE STAR MF platform.**

If frequency of SIP is not mentioned, the default frequency will by Monthly.
The minimum application amounts listed above does not apply in case of Transfers.
The AMC in consultation with the Trustees reserves the right to discontinue/ add more plans/ options at a later date subject to complying with the prevailing SEBI guidelines and Regulations.

**Redemption**
The minimum amount for redemption must be Rs. 1000/- or account balance whichever is less. Investor may note that upon the processing of redemption/switch out request, if the account balance in the scheme is less than Rs. 1000/- then the same will be redeemed/switched out along with the said request

**Switches:**
The minimum amount in case of inter/ intra scheme (inter plan/inter option) switches shall be the minimum amount required in the respective transferee scheme/plan.
In accordance with clause 6.10 of SEBI Master Circular dated May 19, 2023(Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes), the above provision will not be applicable for investments made in scheme

**Transfer of Repurchase (Redemption) Request:**
The redemption or repurchase proceeds shall be transfer to the unitholders not later than 3 working days from the date of redemption or repurchase.

**Benchmark Index:**
Nifty 50 Hybrid Composite Debt 50:50 Index.

**IDCW Policy:**
Under the Income Distribution cum Capital Withdrawal, the Trustees may declare IDCW subject to the availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. The actual declaration of IDCW and the frequency of distribution will be entirely at the discretion of the Trustees. The IDCW would be paid to the Unitholders whose names appear in the Register of Unitholders as on the record date. There is no assurance or guarantee to the Unitholders as to the rate of IDCW nor that the IDCW would be paid regularly. If the Fund declares IDCW, the NAV will stand reduced by the amount of IDCW and IDCW distribution tax (if applicable) paid. All the IDCW payments shall be in accordance and compliance with SEBI Regulations, as applicable from time to time.

**Name of Fund Manager:**
Mr. Mayur Patel (For Equity Portion)
Mr. Patel is also managing 360 ONE Focused Equity Fund and 360 ONE Flexicap Fund scheme of 360 ONE Mutual Fund.

Mr. Milan Mody (For Debt Portion)
Mr. Mody is also managing 360 ONE Dynamic Bond Fund and 360 ONE Liquid Fund scheme of 360 ONE Mutual Fund.

**Name of Trustee Company:**
360 ONE Asset Trustee Limited.

**Scheme Performance:**
This scheme does not have any performance track record.

**Disclosure pursuant to clause 5.8 of SEBI Mmaster Circular Dated May 19, 2023:**
This is new scheme under 360 ONE Mutual Fund. Top 10 Holdings (by issuer) of the Scheme as on September 30, 2023:

| Name of the issuer | % of Scheme |
|---|---|
| 7.06% Government of India (10/04/2028) | 7.88 |
| 7.38% Government of India (20/06/2027) | 5.31 |
| 7.77% HDFC Bank Limited (28/06/2027) | 5.27 |
| 7.44% Small Industries Dev Bank of India (04/09/2026) | 5.25 |
| 6.4% Jamnagar Utilities & Power Private Limited (29/09/2026) | 5.08 |
| 8% Bajaj Finance Limited (27/02/2026) | 3.97 |
| 7.6% REC Limited (27/02/2026) | 3.96 |
| 7.62% National Bank For Agriculture and Rural Development (31/01/2028) | 3.95 |
| 6.09% Power Finance Corporation Limited (27/08/2026) | 3.81 |
| HDFC Bank Limited | 3.45 |

The complete portfolio of the scheme on monthly basis is updated at http://www.iiflmf.com/Downloads/MandatoryDisclosures/MonthlyPortfolio.aspx

**Allocation of the scheme towards its various Sectors:**

| Sector | % of Holding |
|---|---|
| Financial Services | 41.64 |
| Sovereign | 13.52 |
| TREPS | 9.19 |
| Power | 6.54 |
| Information Technology | 5.79 |
| Automobile and Auto Components | 4.07 |
| Capital Goods | 3.01 |

| | |
|---|---|
| Healthcare | 1.86 |
| Construction | 1.72 |
| Heavy Electrical Equipment | 1.65 |
| Paints | 1.26 |
| Consumer Services | 1.11 |
| Telecom - Infrastructure | 1.07 |
| Internet & Catalogue Retail | 1.02 |
| Aerospace & Defense | 1.01 |
| Fast Moving Consumer Goods | 0.99 |
| Business Process Outsourcing (BPO)/ Knowledge Process Outsourcing (KPO) | 0.84 |
| Iron & Steel Products | 0.66 |
| Chemicals | 0.62 |
| Consumer Durables | 0.61 |

**Expenses of the Scheme:**

1. **Load Structure:**

• Entry Load: Nil

• Exit Load:

 - Redemption / switch-out of 10% of amount invested on or before completion of 12 months from the date of allotment- NIL exit load
 - Redemption/ switch out in excess of the 10% of amount invested on or before completion of 12 months from the date of allotment –1.00% exit load.
 - Nil - if redeemed after 12 months from the date of allotment

2. **New Fund offer expenses:**

All initial issue expense shall be borne by AMC.

3. **Annual Recurring Expenses:**

These are the fees and expenses for operating the Scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below.

Further, as per clause 10.1.12 of SEBI Master Circular dated May 19, 2023, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits.

As per Regulation 52 (6) (c) of SEBI Regulations, the maximum annual scheme recurring expenses including the investment management fees that can be charged to the Scheme is as follows:

| **Daily Net Assets(Rs.)** | **on the first Rs.500 crores** | **on the next Rs.250 crores of the daily net assets** | **on the next Rs. 1,250 crores of the daily net assets** | **on the next Rs. 3,000 crores of the daily net assets** | **on the next Rs. 5,000 crores of the daily net assets** | **On the next Rs. 40,000 crores of the daily net assets** | **On balance of the assets** |
|---|---|---|---|---|---|---|---|
| % per annum | 2.00 % | 1.75 % | 1.50 % | 1.35 % | 1.25 % | Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof | 0.80% |

In addition to total expense limits mentioned above, the AMC may charge the following in terms of Regulation 52(6A) of SEBI Regulations:

a. Additional expenses not exceeding of 0.30% of daily net assets for inflows from specified cities

b. Brokerage and transaction costs (including Goods and Service Tax) which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

c. Additional expenses incurred towards different heads mentioned under Regulations 52(2) and 52(4) of SEBI Regulations, not exceeding 0.05 per cent of daily net assets of the scheme.

The AMC has estimated the following annual recurring expenses on daily net assets of the Scheme. Further, any change in the expense ratio will be updated on our website and the same will be communicated to investor via SMS / e-mail 3 working days prior to the effective date of change. For the actual current expenses being charged, the investor should refer to the website: http://www.iiflmf.com/expenses-ratio:

| **Expense Head** | **% of daily Net Assets** |
|---|---|
| Investment Management and Advisory Fees, Trustee fee, Audit fees, Custodian fees, RTA Fees, Marketing & Selling expense incl. agent commission, Cost related to investor communications, Cost of fund transfer from location to location, Cost of providing account statements & dividend redemption cheques & warrants, Costs of statutory Advertisements, Cost towards investor education & awareness (at least 2 bps),Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades respectively, *Goods & Service tax on expenses other than investment and advisory fees, *Goods & Service tax on brokerage and transaction cost, other expenses(including listing expenses) | Up to 2.00% |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6)(c)(i) & (6) (a) | Up to 2.00% |
| $Additional expenses under regulation 52 (6A) (c) | Up to 0.05% |
| ^Additional expenses for gross new inflows from specified cities | Up to 0.30% |

These estimates of Investment Management Fees and Expenses have been made in good faith as per the information available to the Investment Manager and are subject to change inter-se, which may be more or less than estimated above. Any expenditure in excess of the said prescribed limit shall be borne by the AMC.

*In addition to expenses under Regulation 52 (6) and (6A) of SEBI Regulations, AMC may charge Goods and Service Tax on Investment Management and Advisory Fees, expenses other than Investment Management and Advisory Fees and brokerage and transaction cost as below:

a. Goods and Service Tax on Investment Management and Advisory Fees: AMC may charge Goods and Service Tax on Investment Management and Advisory Fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A) of SEBI Regulations.

b. Goods and Service Tax on expenses other than Investment Management and Advisory Fees:

AMC may charge Goods and Service Tax on expenses other than Investment Management and Advisory Fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A) of SEBI Regulations.
c. Goods and Service Tax on brokerage and transaction cost:
The Goods and Service Tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of prescribed under Regulation 52 of SEBI Regulations.

^ Expenses not exceeding of 0.30 % of daily net assets, if the new inflows from retail investors from such cities as specified by the SEBI, from time to time are at least:
• 30 per cent of the gross new inflows into the scheme, or;
• 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher;

Provided that if inflows from such cities are less than the higher of the above, such expenses on daily net assets of the scheme shall be charged on proportionate basis. Provided further that expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment. Inflows of amount upto Rs 2,00,000/-per transaction, by individual investors shall be considered as inflows from “retail investor.”

$ In terms of clause 10.1.7 of SEBI Master Circular, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

"Direct plan shall have a lower expense ratio excluding distribution expenses, commission etc. and no commission shall be paid from such plan.”

**Transaction charge:**
In case of purchases/subscriptions/new inflows only (lump sum and SIP), of Rs.10,000/ – and above per subscription; transaction charge shall be levied and be paid to the distributors/ brokers (who have opted to receive transaction charges based on ‘type of the Product’) in respect of applications routed through them, subject to the following:

• For Existing / New investors: Rs.100 / Rs.150 as applicable per subscription of Rs.10,000/ – and above;
• Transaction charge for SIP shall be applicable only if the total commitment through SIP amounts to Rs.10,000/ - and above. In such cases the transaction charge would be recovered in maximum 3/4 successful installments.
• There shall be no transaction charge on subscription below Rs.10,000/-.
• There shall be no transaction charges on direct investments.
• There shall be no transaction charges in case of Switch, DTP, STP, SWP.
The Transaction Charge as mentioned above shall be deducted by AMC from the subscription amount of the unit holder and paid to the distributor. The balance amount shall be invested in the Scheme.

The upfront commission on investment made by the investor, if any, shall be paid to the AMFI registered distributor directly by the investor, based on the investor’s assessment of various factors including service rendered by the distributor.

**Waiver of Load for Direct Application:**
Not applicable

**Tax Treatment for Investors (Unit Holders):**
Investors are advised to refer to the detail in the Statement of Additional Information and also independently refer to his/ her tax advisor.

**Daily Net Asset Value (NAV) Publication:**
The NAV will be declared on all business days. NAV can also be viewed on www.iiflmf.com and al so on AMFI website www.amfiindia.com.
Further 360 ONE AMC will extend facility of sending latest available NAVs of the Scheme to the Unit holders through SMS upon receiving a specific request in this regard.

**For Investor Grievances please contact**

| Name and address of Registrar: |
|---|
| **Computer Age Management Services Ltd. (CAMS)**<br>Regd. Office: No.178 (New No.10) M.G.R. Salai (formerly Known as Kodambakkam High Road), Nungambakkam, Chennai - 600 034 |
| Contact Person Name, Address, Telephone No., |
| **Mr. Sushil Sharma**<br>360 ONE Asset Management Limited<br>360 ONE Centre, 6th floor, Kamala City, S.B. Marg, Lower Parel, Mumbai – 400 013 Tel (91 22) 4876 5158 Fax: (91 22) 4646 4706<br>Email: service@360.one Website: www.iiflmf.com |

Investors are advised to contact any of the ISCs or the AMC by calling the toll-free no. 1800-2108-606. Investors can also visit the website at www.iiflmf.com for complete details.

**Unit Holder’s Information:**
**Account Statements:**
Account Statement will be sent to Investors opting to subscribe to/ hold units in physical form (i) by way of an e-mail and/or an sms to their registered e-mail address and or mobile number not later than 5 Business Days from the date of acceptance of the request for subscription, and (ii) a 'Consolidated Account Statement (CAS)' (to investors whose PAN details are updated). For investors who hold Units in dematerialized form, a demat statement shall be provided by the DP in such form and in such manner and at such time as provided in the agreement with the beneficial owner.

**Annual Financial Results and Half Yearly Portfolio:**
360 ONE Asset Management Limited (360 ONEAMC) within one month from the close of each half year host a soft copy of unaudited financial results of schemes of 360 ONE Mutual Fund on its website and shall publish an advertisement disclosing the hosting of such financial results on its website, in at least one English daily newspaper having nationwide circulation and, in a newspaper, having wide circulation on in the language of the region where the Head Office of the Mutual Fund is situation. 360 ONE AMC shall disclose portfolio of the Scheme as on the last day of half year on website of Mutual Fund and AMFI within 10 days from the close of each half-year respectively. Further, the 360 ONE Mutual Fund (formerly known as IIFL Mutual Fund) shall publish an advertisement in the all India edition of at least two daily newspapers, one each in English and Hindi every half-year, disclosing the hosting of the half-yearly statement of the Scheme portfolio on the website of the Mutual Fund and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unitholder can submit a request for a physical or electronic copy of the statement of Scheme portfolio.

**How is the Scheme different from existing open ended schemes of 360 ONE Mutual Fund.**

360 ONE Balanced Hybrid Fund is a new product offered by 360 ONE Mutual Fund and is not a minor modification of the existing Scheme. 360 ONE Balanced Hybrid Fund is different from the existing open-ended scheme(s) launched by 360 ONE Mutual Fund, as stated below:

<table>
<tr><th>Sr. No.</th><th>Name & Type of the Scheme</th><th>Indicative Asset Allocation of the Scheme</th><th>Investment Objective</th><th>AUM as on 30th September, 2023 (Rs. Crore)</th><th>No of Folios as on 30th September, 2023</th><th>Comparison</th></tr>
<tr><td>1.</td><td>360 ONE Focused Equity fund<br><br>(An open ended equity scheme investing in maximum 30 multicap stocks)</td><td><table><tr><td>Instruments</td><td>%</td><td>Risk Profile</td></tr><tr><td>Equity or Equity related instruments</td><td>75%-100%</td><td>High</td></tr><tr><td>Debt and money market</td><td>0%-25%</td><td>Low to medium</td></tr></table></td><td>The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities.<br><br>However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</td><td>Rs. 4,630.02Crores</td><td>129258</td><td>360 ONE Focused equity fund is an open ended equity scheme investing in maximum 30 multicap stocks while 360 ONE Balanced Hybrid Fund is an open ended balanced scheme investing in equity and debt instruments.</td></tr>
<tr><td>2.</td><td>360 ONE Quant Fund (An Open ended equity scheme investing based on quant theme)</td><td><table><tr><td>Instrument</td><td>%</td><td>Risk profile</td></tr><tr><td>Equity or Equity related instrument*</td><td>80%- 100%</td><td>Medium to High</td></tr><tr><td>Debt and money market</td><td>0%-20%</td><td>Low to medium</td></tr><tr><td>Units issued by REITs and Invits</td><td>0%-10%</td><td>Medium to High</td></tr></table>*Equity Related Instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time.</td><td>The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. The stocks will be selected based on quantitative portfolio construction methods and techniques. However, there can be no assurance or guarantee that the</td><td>Rs. 65.50Crores</td><td>4593</td><td>360 ONE Quant Fund is an open- ended equity scheme investing based on quant theme while 360 ONE Balanced Hybrid Fund is an open ended balanced scheme investing in equity and debt instruments.</td></tr>
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<table>
<tr><th>Sr. No.</th><th>Name & Type of the Scheme</th><th>Indicative Asset Allocation of the Scheme</th><th>Investment Objective</th><th>AUM as on 30th September, 2023 (Rs. Crore)</th><th>No of Folios as on 30th September, 2023</th><th>Comparison</th></tr>
<tr><td></td><td></td><td></td><td>investment objective of the Scheme would be achieved.</td><td></td><td></td><td></td></tr>
<tr><td>3.</td><td>360 ONE ELSS Nifty 50 Tax Saver Index Fund<br><br>(An open ended Passive Equity Linked Saving Scheme with a statutory lock-in period of 3 years and tax benefit, replicating/tracking the Nifty 50 index)</td><td><table><tr><th>Instrument</th><th>%</th><th>Risk profile</th></tr><tr><td>Equity instruments covered by Nifty 50 Index</td><td>95%-100%</td><td>High</td></tr><tr><td>Debt and money market instruments</td><td>0%-5%</td><td>Low to moderate</td></tr></table></td><td>The investment objective of scheme is to invest in in stocks comprising the Nifty 50 Index in the same proportion as in the index to achieve returns equivalent to the Total Returns Index of Nifty 50 Index, subject to tracking error, while offering deduction on such investment made in the scheme under section 80C of the Income-tax Act, 1961. It also seeks to distribute income periodically depending on distributable surplus.<br>There is no assurance or guarantee that the investment objective of</td><td>Rs. 46.18Crores</td><td>8138</td><td>360 ONE ELSS Nifty 50 Tax Saver Index Fund is an open ended Passive Equity Linked Saving Scheme with a statutory lock-in period of 3 years and tax benefit, replicating/tracking the Nifty 50 index. while 360 ONE Balanced Hybrid Fund is an open ended balanced scheme investing in equity and debt instruments.</td></tr>
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<table>
<tr><th>Sr. No.</th><th>Name & Type of the Scheme</th><th>Indicative Asset Allocation of the Scheme</th><th>Investment Objective</th><th>AUM as on 30th September, 2023 (Rs. Crore)</th><th>No of Folios as on 30th September, 2023</th><th>Comparison</th></tr>
<tr><td></td><td></td><td></td><td>the Scheme would be achieved. Investments in this scheme would be subject to a statutory lock-in of 3 years from the date of allotment to avail Section 80C benefits.</td><td></td><td></td><td></td></tr>
<tr><td>4.</td><td>360 ONE Flexicap Fund</td><td><table>
<tr><th>Instrument</th><th>%</th><th>Risk profile</th></tr>
<tr><td>Equity or *Equity Related Instruments across market capitalization (including derivatives and covered call)</td><td>65%- 100%</td><td>High Risk</td></tr>
<tr><td>Listed Preference shares</td><td>0%-10%</td><td>High Risk</td></tr>
<tr><td>Debt and money market</td><td>0%-35%</td><td>Low to Moderate Risk</td></tr>
<tr><td>Units issued by REITs and Invits</td><td>0%-10%</td><td>Moderately high risk</td></tr>
</table></td><td>The investment objective of the scheme is to generate long-term capital appreciation by primarily investing in equity and equity related securities across the entire market capitalization range and investing the remaining portion in debt and money market instruments.</td><td>Rs. 266.91Crores</td><td>8080</td><td>360 ONE Flexicap Fund is an open - ended dynamic equity scheme investing across large cap, mid cap and small cap stocks while 360 ONE Balanced Hybrid Fund is An open ended balanced scheme investing in equity and debt instruments.</td></tr>
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<table>
<tr><th>Sr. No.</th><th>Name & Type of the Scheme</th><th>Indicative Asset Allocation of the Scheme</th><th>Investment Objective</th><th>AUM as on 30th September, 2023 (Rs. Crore)</th><th>No of Folios as on 30th September, 2023</th><th>Comparison</th></tr>
<tr><td>5.</td><td>360 ONE Liquid Fund<br>(An open ended Liquid scheme A relatively low interest rate risk and moderate credit risk)</td><td><table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Net assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Money market and debt instruments with residual maturity up to 91 days (including floating rate debt instruments and securitized debt)</td><td>0%</td><td>100%</td><td>Low to Medium</td></tr>
</table></td><td>To provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt securities with residual maturity of up to 91days. However, there can be no assurance that the investment objective of the Scheme will be achieved.</td><td>Rs. 739.10Crores</td><td>2292</td><td>360 ONE Liquid Fund will invest in Money Market & Debt Instruments with maturity up to 91 days while 360 ONE Balanced Hybrid Fund is an open ended balanced scheme investing in equity and debt instruments.</td></tr>
<tr><td>6.</td><td>360 ONE Dynamic Bond Fund) (IDBF)<br><br>(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively high credit risk)</td><td><table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Allocation</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt Market instruments</td><td>0%</td><td>100 %</td><td>Low to Medium</td></tr>
<tr><td>Money market instruments</td><td>0%</td><td>100 %</td><td>Low to Medium</td></tr>
<tr><td>Units issued by REITs &InvITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table></td><td>The Scheme would endeavour to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.</td><td>Rs. 744.71 Crores</td><td>1676</td><td>360 ONE Dynamic Bond Fund will invest in instruments of various maturities with endeavour to generate long term gains while 360 ONE Balanced Hybrid Fund is an open ended balanced scheme investing in equity and debt instruments.</td></tr>
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