

# SCHEME INFORMATION DOCUMENT

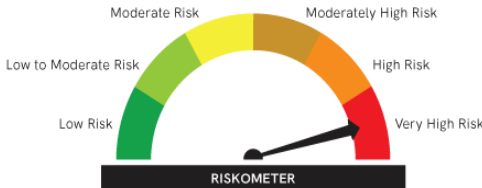
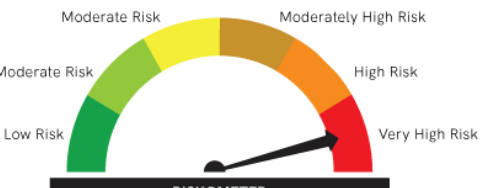
## Section I

### 360 ONE Silver ETF

(An open-ended exchange traded fund replicating/tracking domestic prices of Silver)

(NSE Symbol: SILVER360, BSE Scrip Code: 544389)

**This product is suitable for investors who are seeking\***

To create wealth and income in the long term	<p><b>Scheme Riskometer</b></p>  <p>The risk of the scheme is Very High</p>	<p><b>Benchmark Riskometer</b></p>  <p>The risk of the benchmark is Very High</p> <p><b>As per AMFI Tier I Benchmark i.e. Domestic Prices of Silver</b></p>
Returns that are in line with the performance of Silver over the long term, subject to tracking errors.		

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### *Continuous offer for units at i-NAV based prices*

The Units of the Scheme are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). All investors including Market Makers and Large Investors can subscribe (buy) / redeem (sell) units on a continuous basis on the NSE/BSE on which the Units are listed during the trading hours on all the trading days. In addition, Market Makers and Large Investors can directly subscribe to / redeem units of the Scheme on all Business Days with the Fund at Intraday NAV based prices on an ongoing basis.

<b>Mutual Fund:</b>	<b>360 ONE MUTUAL FUND (Formerly known as IIFL Mutual Fund)</b>
<b>Asset Management Company:</b>	<b>360 ONE Asset Management Limited (Formerly known as IIFL Asset Management Limited)</b>
<b>Trustee Company:</b>	<b>360 ONE Asset Trustee Limited (Formerly known as IIFL Trustee Limited)</b>
<b>Registered Office:</b>	<b>360 ONE Centre, Kamala City, S.B. Marg, Lower Parel, Mumbai – 400 013</b>
<b>Tel No.:</b>	<b>022 4876 5158</b>
<b>Fax No.:</b>	<b>022 4646 4706</b>
<b>Website:</b>	<a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a>

**The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).**

The SID sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this SID after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

**The investors are advised to refer to the Statement of Additional Information (SAI) for details of 360 ONE Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on <https://www.360.One/asset-management/mutualfund/downloads/information-documents/>.**

**SAI is incorporated by reference (is legally a part of the SID). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.**

**The SID (Section I and II) should be read in conjunction with the SAI and not in isolation.**

**This SID is dated April 04, 2025.**

## **DISCLAIMER OF NSE**

"As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5756 dated December 09, 2024 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

## **DISCLAIMER OF BSE**

"BSE Limited ("the Exchange") has given vide its letter dated December 12,2024 permission to 360 ONE Mutual Fund to use the Exchange's name in this SID as one of the Stock Exchanges on which this Mutual Fund's Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to 360 ONE Mutual Fund. The Exchange does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or
- warrant that this scheme's unit will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund;

and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of 360 ONE Silver ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

## Table of Contents

<u>Section I Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME.....</u>	<u>05</u>
<u>Part II. INFORMATION ABOUT THE SCHEME .....</u>	<u>12</u>
A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS.....	12
B. WHERE WILL THE SCHEME INVEST.....	14
C. WHAT ARE THE INVESTMENT STRATEGIES .....	15
D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE.....	15
E. WHO MANAGES THE SCHEME .....	16
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND.....	16
G. HOW HAS THE SCHEME PERFORMED .....	16
H. ADDITIONAL SCHEME RELATED DISCLOSURES .....	16
<u>Part III. OTHER DETAILS.....</u>	<u>18</u>
A. COMPUTATION OF NAV .....	18
B. NEW FUND OFFER (NFO) EXPENSES.....	19
C. ANNUAL SCHEME RECURRING EXPENSES .....	19
D. LOAD STRUCTURE.....	22
<u>Section II I. Introduction .....</u>	<u>24</u>
II. Information about the scheme.....	35
III. Other Details.....	57

**Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME**

Sr. No.	Title	Description
1.	Name of the Scheme	360 ONE Silver ETF
2.	Category of the Scheme	Other Schemes - Exchange Traded Fund (ETF)
3.	Scheme type	An open-ended exchange traded fund replicating/tracking domestic prices of Silver.
4.	Scheme Code	<b>360O/O/O /OET/25/01/0009</b>
5.	Investment Objective	<p>The investment objective of the scheme is to generate returns that are in line with the performance of physical Silver in domestic prices, subject to tracking error.</p> <p>However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</p>
6.	Liquidity/Listing details	<p><b>Liquidity Details:</b></p> <p><b>On the Exchange</b></p> <p>The units are listed on Stock Exchanges to provide liquidity through the secondary market. The units of the Scheme can be bought / sold on all trading days on the NSE Limited and or BSE Limited.</p> <p>The price of the Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. The AMC has engaged with two Market Maker(s) who are members of Stock Exchange to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market.</p> <p><b>Directly with the Mutual Fund</b></p> <p>The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size to Market Makers / and Large Investors, at applicable NAV.</p> <p>Further, in terms of clause 3.6.2.2 of SEBI Master circular dated June 27, 2024, investors can directly approach AMC for redemption of units for transaction of more than Rs. 25 Crore, subject to creation unit size. Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 Crore without any exit load, if:</p> <p>a) Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</p> <p>b) No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</p> <p>c) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</p> <p>The above instances shall be tracked by the AMC on an ongoing basis and incase if any of the above mentioned scenario arises the same shall be disclosed on the website of the AMC i.e. <a href="https://www.360.one/asset-">https://www.360.one/asset-</a></p>

		<p><a href="#">management/mutualfund/</a>.</p> <p>The AMC/Trustee reserves the right to delist the Units of the Scheme from a particular stock exchange provided the Units are listed on at least one stock exchange.</p> <p><b>Listing details:</b></p> <p>The units of 360 ONE Silver ETF are listed on National Stock Exchange of India Limited and or BSE Ltd.</p>
7.	<b>Benchmark (Total Return Index)</b>	<p>As per AMFI Tier I benchmark is Domestic Prices of Silver.</p> <p>Justification: The benchmark has been chosen as the Scheme will invest in Silver and Silver related instruments. Thus, the composition of the aforesaid benchmark is such that it is most suited for comparing the performance of the Scheme.</p>
8.	<b>NAV disclosure</b>	<p>The AMC will update the NAVs on AMFI website <a href="http://www.amfiindia.com">www.amfiindia.com</a> before 11.00 p.m. on the every business day and also on its website (<a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a>). Further, the indicative NAVs (iNAV) of ETF shall be disclosed on Stock Exchange platforms, where the units of these ETF are listed, on continuous basis during the trading hours. iNAV disclosed for the Scheme may either be static or dynamic depending upon the availability of the underlying price.</p> <p>For further details, please refer Section II in this SID.</p>
9.	<b>Applicable Timelines</b>	<p>Timeline for:</p> <ul style="list-style-type: none"> <li>• Dispatch of Redemption proceeds - within three working days from the date of redemption or repurchase.</li> <li>• Dispatch of IDCW - within seven working days from the record date*.</li> </ul> <p>*Record Date: Record date shall be two working days from the issue of public notice, wherever applicable, for the purpose of payment of dividend.</p> <p>Interest for the period of delay in transfer of redemption or repurchase or dividend will be paid to unitholders at the rate of 15% per annum along with the proceeds of redemption or repurchase or dividend.</p>
10.	<b>Plan &amp; Options</b>	<p>The Scheme does not offer any Plans/Options for investment. The AMC and the Trustees reserve the right to introduce such other Plans/Options as they deem necessary or desirable from time to time, in accordance with the SEBI Regulations.</p>
11.	<b>Load Structure</b>	<p>Exit Load: NIL</p> <p>For other than Creation Unit Size: Nil</p> <p>The Units of 360 ONE Silver ETF in other than Creation Unit Size cannot be directly redeemed with the Fund. These Units can be redeemed (sold) on a</p>

		<p>continuous basis on the Stock Exchange during the trading hours on all trading days. The Trustee / AMC reserve the right to change / modify the exit load on a future date on prospective basis.</p> <p>Other charges for transactions through Stock Exchange Mode: The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges. However, the investor shall have to bear costs in the form of bid/ask spread and brokerage and such other costs as charged by his broker or mandated by the government from time-to-time for transacting in the units of the scheme through secondary market.</p>
<b>12.</b>	<b>Minimum Application Amount/switch in</b>	<ul style="list-style-type: none"> <li>• Directly with Fund: <ul style="list-style-type: none"> <li>a) Market Makers: Market Makers can directly purchase in blocks from the fund in "Creation unit size" on any business day.</li> <li>b) Large Investors: Large Investors can directly purchase in blocks from the fund in "Creation unit size" on any business day. However, the Large Investors can directly purchase in blocks from the fund in "Creation unit size" subject to the value of such transaction being greater than the threshold of INR 25 Cr. (Twenty-Five crores) or such other threshold as prescribed by SEBI from time to time.</li> </ul> </li> <li>• On the Exchange – The units of the Scheme can be purchased and sold in minimum lot of 1 unit and in multiples thereof.</li> </ul>
<b>13.</b>	<b>Minimum Additional Purchase Amount</b>	Not Applicable
<b>14.</b>	<b>Minimum Redemptions/switch out amount</b>	<p>On The Exchange: Investors can redeem (sell) Units on a continuous basis on the Stock Exchange on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed to and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p>Directly from the Fund: The Scheme offers for redemptions only from Market Makers and Large Investors (subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) in "Creation Unit Size" on all Business Days. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units of the Scheme including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor. The Fund creates/redeems Units of the Scheme in large size known as "Creation Unit Size". Each "Creation</p>

		<p>Unit” consists of 30,000 Units of 360 ONE Silver ETF. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 30,000 Units of the Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The redemption of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash.</p> <p>Liquidity Window: Further, in terms of Paragraph 3.6.2.2 of SEBI Master Circular dated June 27, 2024 investors can directly approach AMC for redemption of units for transaction of more than Rs. 25 Crore, subject to creation unit size. Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 Crore without any exit load, if:</p> <ul style="list-style-type: none"> <li>i) Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or</li> <li>ii) No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or</li> <li>iii) Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.</li> </ul> <p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed at the closing NAV of the day.</p> <p>Switch out: Not applicable There is no minimum balance requirement.</p>
<b>15.</b>	<p><b>New fund offer period</b></p> <p>This is the period during which a new Scheme sells its units to the investors.</p>	<p>Not Applicable, as the ongoing offer of the scheme has commenced after the NFO, and the units are available for continuous subscription and redemption.</p>
<b>16.</b>	<p><b>New fund offer price</b></p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	
<b>17.</b>	<b>Segregated Portfolio/side pocketing</b>	<p>In case of a credit event at issuer level and to deal with liquidity risk, the AMC may create a segregated portfolio of debt and money market instruments under the Scheme in compliance with the clause 4.4 of SEBI</p>



	<b>disclosure</b>	<p>Master Circular dated June 27, 2024, as amended from time to time.</p> <p>In this regard, the term 'segregated portfolio' shall mean a portfolio comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme, the term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio and the term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.</p> <p>For details, kindly refer SAI.</p>
<b>18.</b>	<b>Swing Pricing Disclosure</b>	Not Applicable
<b>19.</b>	<b>Stock lending/short selling</b>	Not Applicable.
<b>20.</b>	<b>How to apply and other details</b>	<p>The Key Information Memorandum along with application form is available at the Investor Service Centers (ISCs)/ Official Points of Acceptance (OPAs) or may be downloaded from the website (<a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a>) of the Mutual Fund.</p> <p>Please refer <a href="https://www.360.One/asset-management/mutualfund/downloads/information-documents/">https://www.360.One/asset-management/mutualfund/downloads/information-documents/</a> for the list of official points of acceptance.</p> <p>Please refer to the Section II for detailed procedure.</p>
<b>21.</b>	<b>Investor Services</b>	<ul style="list-style-type: none"> <li> <b>Contact details for general service request:</b> <p>Investors may contact any of the ISCs or the AMC by calling the toll-free no. 1800-2108-606 or write to <a href="mailto:service@360.one">service@360.one</a>.</p> <p>Investors can also visit the website at <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a> for complete details.</p> </li> <li> <b>Contact details for complaints resolution:</b> <p>Mr. Sushil Sharma is designated as the Investor Relations Officer. Mr. Sharma can be contacted at 360 ONE Asset Management Limited, 360 ONE Centre, Kamala City, S.B. Marg, Lower Parel, Mumbai – 400 013, Tel (91 22) 4876 5158 Fax: (91 22) 4646 4706, Email: <a href="mailto:service@360.one">service@360.one</a></p> <p>Investors can lodge their dispute on the ODR Portal and Scores Portal through the link given below:</p> <ul style="list-style-type: none"> <li>ODR Portal can be accessed via the following link - <a href="https://smartodr.in/">https://smartodr.in/</a>.</li> <li>SCOREs Portal can be accessed via the following link -</li> </ul> </li> </ul>

		<a href="https://scores.sebi.gov.in/">https://scores.sebi.gov.in/</a>
<b>22.</b>	<b>Specific attribute of scheme (such as lock in, duration in case of target maturity scheme /close ended schemes)</b>	Not Applicable
<b>23.</b>	<b>Special product/facility available during the NFO and on ongoing basis</b>	Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) Systematic Withdrawal Plan (SWP) are not available under this Scheme.
<b>24.</b>	<b>Weblink</b>	TER for last 6 months, Daily TER as well as scheme factsheet shall be made available on <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a> .

## **DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

It is confirmed that:

- I. The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- II. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- III. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- IV. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- V. The contents of the Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.
- VI. The AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations.
- VII. Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- VIII. The Trustees have ensured that the Scheme, 360 ONE Silver ETF approved by them is a new product offered by 360 ONE Mutual Fund and is not a minor modification of any existing scheme/fund/product.

For 360 ONE Asset Management Limited

(Formerly known as IIFL Asset Management Limited)

Sd/-

Place: Mumbai

Date: April 04, 2025

Name: Sonali Tendulkar

Designation: Compliance Officer

## **Part II. INFORMATION ABOUT THE SCHEME**

### **A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?**

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:

Instruments	Indicative Allocations (% of total assets)	
	Minimum	Maximum
Silver & Silver Related Instruments^	95%	100%
Debt and money market instruments#	0%	5%

^As per provision no. 3.2.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Exchange Traded Commodity Derivatives (ETCDs) having silver as the underlying shall be considered as 'silver related instrument' for Silver ETFs.

#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.

Indicative table of percentage of investment in various securities:

Sl. no	Type of Instrument	% of exposure	Circular references
1.	Short term deposits of scheduled commercial banks	Refer Note 1.	Clause 12.16 of SEBI Master Circular dated June 27, 2024
2.	ETCDs	50% of net asset value (20% for GDS and GMS)	Clause 12.26 of the SEBI Master Circular dated June 27, 2024.
3.	Schemes managed by the AMC	The Scheme may also invest in other schemes managed by the AMC or in the schemes of any other Mutual Fund not more than 5% of the Net Asset Value of the Mutual	Schemes managed by the AMC

Note1:

Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short-term deposits of scheduled commercial banks, subject to the following conditions issued by SEBI vide clause 12.16 of SEBI Master Circular:

- i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- ii. Such short-term deposits shall be held in the name of the Scheme.
- iii. The Scheme shall not park more than 15% of their net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
- v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.
- vi. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.
- vii. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

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.

The Scheme will not invest in below securities/instruments:

S. No.	Securities/Instruments
1	Equity linked debentures
2	Repo transactions of Corporate Debt Securities
3	Credit default swaps
4	Securitized debt
5	Preference Share
6	Foreign securities
7	Structured obligation
8	Instruments having Special Features as defined in Paragraph 12.2 of SEBI Master Circular dated May 19, 2023
9	Units issued by REITs and InvITs
10	Securities Lending or short selling
11	Unrated debt instruments

Exposure to derivatives of silver may be required in certain situations wherein it will be beneficial to the Scheme to invest in silver derivatives as compared to investing into physical Silver or when it is not possible to invest in physical silver due various reasons. The exposure to ETCDs having silver as

the underlying shall not exceed 10% of net asset value of the scheme. However, the above limit of 10% shall not be applicable to Silver ETFs where the intention is to take delivery of the physical silver and not to roll over its position to next contract cycle. The cumulative gross exposure through Physical Silver, Money Market Instruments and ETCDs shall not exceed 100% of the net assets of the Scheme as per clauses 12.24 and 12.25 of SEBI Master Circular dated June 27, 2024.

Pursuant to clause 12.25 of SEBI Master Circular dated June 27, 2024 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

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 June 27, 2024 as amended from time to time.

#### **Change in Asset Allocation**

The Scheme, out of the funds allocated shall primarily invest in Silver (includes physical Silver and other Silver related instruments which may be permitted by Regulator from time to time) and shall invest in cash and cash equivalent, only to the extent necessary to meet the liquidity requirements for honoring repurchase / redemptions / expenses. In view of the nature of the Scheme, the asset allocation pattern as indicated above may not change, except in line with the changes made in SEBI (MF) Regulations, from time to time.

#### **Rebalancing due to Short Term Defensive Consideration:**

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per clause 1.14.1.2 (b) of SEBI Master Circular dated June 27, 2024, and as per clause 3.5.3.11 of SEBI Master Circular dated June 27, 2024, the fund manager will rebalance the portfolio within 7 calendar days from the date of deviation.

### **B. WHERE WILL THE SCHEME INVEST?**

The scheme shall invest in below instruments:

- a. Investment in Physical Silver;
- b. Debt and money market instrument;
- c. Commercial Paper;
- d. Repo of Government Securities;
- e. Treasury Bill (T-Bill);
- f. Tri-party repo (TREPS);

- g. Securities created and issued by the Central and State Governments;
- h. Non-convertible debentures and bonds;
- i. Floating rate debt instruments;
- j. Short Term Deposits;
- k. ETCDs with Silver as underlying
- l. Derivatives.
- m. Investments in units of mutual fund schemes

For details, please refer Section II.

### **C. WHAT ARE THE INVESTMENT STRATEGIES?**

360 ONE Silver ETF is a passively managed fund which will employ an investment approach designed to track the performance of domestic price of Silver.

The Scheme will invest at least 95% of its total assets in the Silver or Silver related instruments. It may hold up to 5% of their total assets in debt or money market securities.

The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible.

#### **Portfolio Turnover**

Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio (Silver and Silver related instruments) during a given time period. The Scheme is an open-ended Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange(s) or Market Maker and Large Investors. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in Domestic Price of Physical Silver. However, it will be the endeavour of the Fund Manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the Scheme and the purchase/redemption transactions on an ongoing basis in the Scheme.

### **D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

The performance of the Scheme is benchmarked against the Domestic Prices of Silver.

Justification: The Benchmark has been chosen as the Scheme will invest in Silver and Silver related instruments. Thus, the composition of the aforesaid benchmark is such that it is most suited for comparing the performance of the Scheme.

As required under clause 1.9 of SEBI master circular dated June 27, 2024, the benchmark has been selected from amongst those notified by AMFI as the first-tier benchmark to be adopted by mutual funds and which are reflective of the category of the scheme.

The Trustee/AMC reserves the right to change the benchmark for the evaluation of the performance of the Scheme from time to time, keeping in mind the investment objective of the Scheme and the appropriateness of the benchmark, after obtaining relevant approval from SEBI.

#### **E. WHO MANAGES THE SCHEME?**

<b>Fund Manager/Age</b>	<b>Brief Experience</b>
Mr. Rahul Khetawat Age: 37 years Qualification: PGDM, M.COM (PRE)	Mr. Khetawat has over 14 years of experience of handling multiple asset classes including Forex. He has managed end to end product/business development and management encompassing Structuring, Advisory, Trading, Risk management, and Fund management. Prior to joining 360 ONE Asset Mr. Khetawat was associated with Edelweiss Financial Services Limited and Marwadi Share and finance Limited as a trader in Commodity and forex market.
Mr. Khetawat is also managing 360 ONE Gold ETF.	

#### **F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?**

360 ONE Silver ETF is a new product offered by 360 ONE Mutual Fund and is not a minor modification of the existing Scheme.

For detailed comparative table, please refer <https://www.360.One/asset-management/mutualfund/downloads/information-documents/>.

#### **G. HOW HAS THE SCHEME PERFORMED**

This is new scheme under 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund).

#### **H. ADDITIONAL SCHEME RELATED DISCLOSURES**

i. Scheme's portfolio holdings i.e, Top 10 holdings by issuer and fund allocation towards various sectors.

This is new scheme under 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund).

ii. Name and exposure to top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/Index Funds – This is new scheme under 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund).



**iii. Functional website link for portfolio disclosures – for Fortnightly/Monthly/Half yearly:** This is new scheme under 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund).

**iv. Schemes Portfolio turnover ratio:** Not Applicable

**v. Aggregate investment in the scheme:** Not Applicable

**vi. Investments of AMC in the Scheme –**

The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and as specified In terms of sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations,1996 read along with clause 6.9 of SEBI Master Circular and AMFI Best Practice Guidelines circular No.100 /2022-23 on 'Alignment of interest of AMCs with the Unitholders of the Mutual Fund schemes', the AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the SEBI from time to time. However, as per the said guidelines, ETFs are exempted from the purview of the aforesaid regulations and guidelines.

## Part III – OTHER DETAILS

### A. COMPUTATION OF NAV

NAV of units under the Scheme shall be calculated as shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments + Current Assets – Current Liabilities and Provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme/Plan on the Valuation Date}}$$

The NAV will be calculated up to four decimals. The first NAV will be calculated and announced not later than 5 working days from the date of allotment in the NFO. Thereafter, the NAV shall be calculated for close of each working day. The computation of NAV shall be in conformity with SEBI Regulations and guidelines as prescribed from time to time. The Direct Plan under the Scheme will have separate NAV. Separate NAV will be calculated and disclosed for each option. The NAVs of the growth option and the Income Distribution cum Capital Withdrawal will be different after the declaration of the first IDCW.

#### Illustration for Computation of NAV:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments + Current Assets – Current Liabilities and Provision (including accrued expenses)}}{\text{No. of Units outstanding under Scheme/Plan on the Valuation Date}}$$

$$1.109 = \frac{10,01,00,000.00 + 10,00,000.00 - 10,000.00}{1,00,00,000.00} = \frac{10,10,90,000.00}{1,00,00,000.00}$$

### Valuation of Silver

The Fund will invest in physical silver. The market price of silver in the domestic market on any Working Day would be arrived at as under:

Value of silver:

- 1) The silver held by a silver exchange traded fund scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for silver having a fineness of 999.0 parts per thousand (or 99.9% purity), subject to the following :
  - a. adjustment for conversion to metric measures as per standard conversion rates;
  - b. adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
  - c. addition of –

- i. transportation and other charges that may be normally incurred in bringing such silver from London to the place where it is actually stored on behalf of the Mutual Fund; and
- ii. notional customs duty and other applicable taxes and levies that may be normally incurred to bring the silver from London to the place where it is actually stored on behalf of the Mutual Fund.

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of silver to the place where it is stored on behalf of the Mutual Fund.

Provided further that where the silver held by a silver exchange traded fund scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.

However, for days when the price as determined above is higher than the fair value price as determined by MCX spot price which reflects domestic price, the difference or discount shall be applied to arrive at fair valuation for the purpose of NAV computation. In case MCX spot is not available, we may use any other appropriate source as may be agreed upon by valuation committee to determine domestic price.

2) If the silver acquired by the Scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub-paragraph (1). Domestic price of Silver = (London Bullion Market Association AM fixing in US\$/ounce X Conversion factor for converting ounce into kg for 0.999 fineness X rate for US\$ into INR) + Custom duty for import of silver + Sales Tax / octroi and other levies applicable.

**The Mutual Fund will offer that the redemption price is not lower than 95% of the applicable NAV.**

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. please refer to SAI.

## **B. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationery, bank charges etc. All initial issue expenses pertaining to NFO will borne by the AMC. No NFO expenses will be charged to the Scheme.

## **C. ANNUAL SCHEME 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 (a) of SEBI Master Circular dated June 27, 2024, 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 AMFI letter no. 35P/ MEM-COR/ 85-a/ 2022-23 dated March 02, 2023 on B-30 Incentive Mechanism, AMC has been advised to keep the B-30 incentive structure in abeyance with effect from March 01, 2023 till any further guidelines regarding necessary safeguards are issued by SEBI.

As per Regulation 52 (6) (b) of SEBI Regulations, the maximum annual scheme recurring expenses including the investment management fees shall not exceed 1.00 per cent of the daily net assets.

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

- Additional expenses not exceeding of 0.30% of daily net assets for inflows from specified cities, as may be specified by SEBI from time to time.
- 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.
- 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: <https://www.360.one/asset-management/mutualfund/>:

Expense Head	% of daily Net Assets
<b>Investment Management and Advisory Fees</b>	Up to 1.00%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Recurring expenses incurred towards storage and handling of Silver	
Cost of fund transfer from location to location	
Cost of providing account statements & IDCW 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 and Service Tax* on expenses other than investment and advisory fees	
Goods and Service Tax* on brokerage and transaction cost	
Other expenses (including listing expenses)	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (b)	Upto 1.00%
§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.

^ As per Regulation 52(6A)(b), 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." It may be noted that these expenses shall be charged as may be permitted by SEBI from time to time.

\$ In terms of clause 10.1.7 of SEBI Master Circular dated June 27, 2024, in case exit load is not levied / not applicable, the AMC shall not charge the said additional expenses.

#### ILLUSTRATION OF IMPACT OF EXPENSE RATIO ON SCHEME' S RETURN:

Particulars	Direct Plan
Amount Invested at the beginning of the year	10,000
Returns before Expenses	1,500
Expenses other than Distribution Expenses	150
Distribution Expenses	-

Returns after Expenses at the end of the Year	1350
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The purpose of the above illustration is to explain the impact of expense ratio of the scheme. Above calculation are bases on assumed NAV and Expenses. The actual NAV, expenses and return on your investment may be more or less.

#### D. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the Scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC <https://www.360.one/asset-management/mutualfund/> or may call at toll free no. 1800-2108-606 or your distributor.

Type of Load	Load chargeable (as % of NAV)
Exit Load	<p><b>Exit Load: NIL</b></p> <p><b>For other than Creation Unit Size: Nil</b></p> <p>The Units of 360 ONE Silver ETF in other than Creation Unit Size cannot be directly redeemed with the Fund. These Units can be redeemed (sold) on a continuous basis on the Stock Exchange during the trading hours on all trading days. The Trustee / AMC reserve the right to change / modify the exit load on a future date on prospective basis.</p> <p><b>Other charges for transactions through Stock Exchange Mode:</b></p> <p>The units of the Scheme are compulsorily traded on Stock Exchange(s) in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through Stock Exchanges. However, the investor shall have to bear costs in the form of bid/ask spread and brokerage and such other costs as charged by his broker or mandated by the government from time-to-time for transacting in the units of the scheme through secondary market.</p>

In accordance with the requirements specified by the paragraph 10.4.1(a) of SEBI Master circular dated June 27, 2024, no entry load will be charged for purchase/additional purchase/switches accepted by the Mutual Fund. Similarly, no entry load will be charged with respect to applications for registrations under the Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP) accepted by the Mutual Fund.

Investors other than Market Maker/Large investors can redeem units directly with the Fund for less than Creation Unit size at the Closing NAV of the day of submission of redemption application form (Before Cut off ) along with the transfer of units without any exit load if:

- Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or
- Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days.

Such instances shall be tracked by the AMC on an ongoing basis and in case if any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund. For any

change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

The entire exit load (net of Goods and Service Tax) received shall be credit back to the Scheme.

- No exit load shall be levied for switching between Options under the same Plan within the Scheme.
- Switch of investments from Regular Plan to Direct Plan under the same Scheme/ Plan shall be subject to applicable exit load, unless the investments were made directly i.e. without any distributor code. However, any subsequent switch-out or redemption of such investments from Direct Plan will not be subject to any exit load.
- No exit load shall be levied for switch-out from Direct Plan to Regular Plan under the same Scheme/ Plan. However, any subsequent switch-out or redemption of such investment from Regular Plan shall be subject to exit load based on the original date of investment in the Direct Plan.
- No Exit load will be levied on Units allotted on Re-investment of Income Distribution cum Capital Withdrawal.
- In case of Systematic Transactions such as Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), Exit Load, if any, prevailing on the date of registration / enrolment shall be levied.

At the time of change in load structure in future, the AMC will take following steps:

- The addendum detailing the changes shall be attached to SID and Key Information Memorandum (KIM). The addendum will be circulated to all the distributors so that the same can be attached to all SID and KIM already in stock.
- Arrangements shall be made to display the changes/modifications in the SID in the form of a notice in all investor service centres and distributors/brokers offices.
- The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- A public notice may be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- The Fund shall display the addendum on its website (<https://www.360.one/asset-management/mutualfund/>)

## **Section II**

### **I. Introduction**

#### **A. Definition/interpretation**

For detailed description of definitions/interpretations, please visit <https://www.360.One/asset-management/mutualfund/downloads/information-documents/>.

#### **B. Risk Factors**

##### **- Scheme Specific Risk Factors**

The Scheme is subject to the principal risks described below. Some or all of these risks may adversely affect Scheme's NAV trading price, yield, total return and/or its ability to meet its objectives.

1) The NAV of the units is closely related to the value of Physical Silver. The value of this will react demand and currency movements and may result in changes in the NAV of units under the scheme. There could also be movements in the scheme's NAV due to changes in interest rates, macro-economic and political developments and over longer periods during market downturns.

2) Liquidity Risk: Trading in 360 ONE Silver ETF may be halted due to market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in 360 ONE Silver ETF is not advisable. There could also be trading halts caused by extraordinary market volatility and pursuant to Silver and SEBI circuit filter rules. There can be no assurance that the requirements of the exchange necessary to maintain the listing of the 360 ONE Silver ETF will continue to be met or will remain unchanged.

3) Regulatory Risk: Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Market Maker/Large Investors to arbitrage resulting into wider premium/ discount to NAV.

4) Tracking error may have an impact on the performance of the scheme. However, 360 ONE AMC will endeavour to keep the tracking error as low as possible.

5) The Scheme is a passively managed scheme and provides exposure to the benchmark and tracking its performance and yield as closely as possible. The Schemes performance may be affected by a general price decline in the Silver Price. The Scheme invests in the Silver regardless of their investment merit. The Mutual Fund does not attempt to take defensive positions in declining markets.

6) As the scheme proposes to invest not less than 95% of the net assets in securities comprising of Domestic Price of Physical Silver, any inflow or redemption may require sudden and immediate liquidation or acquisition of Silver at the prevailing market prices irrespective of whether valuation of Silver is attractive enough. This may not always be in the interest of unitholders.

7) The performance of the Domestic Price of Physical Silver will have a direct bearing on the performance of the Silver and Currency rate.

8) Though 360 ONE Silver ETF will be listed on the stock exchange, there is no assurance that an active secondary market will develop or be maintained.

9) Investors may note that even though this is an open-ended scheme, they will have to buy or sell units of the scheme on the stock exchanges where these units are listed for liquidity at the market price, subject to the rules and regulations of the exchange. Buying and selling units on



stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/ broker, payment of brokerage, securities transactions tax and such other costs.

10) The market price of ETF units, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. However, since the eligible investors can transact with the AMC for units beyond the creation unit size there should not be a significant variance from the NAV. Hence the price of ETF is less likely to hold significant variance (large premium or discount) from the latest declared NAV all the time.

11) Capital Gains Impact: Investors who trade in 360 one Silver ETF may be subject to Long Term Capital Gains or Short Term Capital Gains. Investors are requested to consult their tax / legal consultants before investing in the scheme.

12) The units will be 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 fund depends up on the confirmations to be received from depository(ies) on which the mutual fund has no control.

13) The scheme will attract provisions of take over regulations, if it invests in more than 10% of the paid up capital of a company and therefore may not be able to accept further subscription

#### ***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.

**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.

**Inflation risk:** Inflation, in most basic terms, erodes the purchasing power of money and also withers the value of existing investments; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.

**Liquidity risk:** The liquidity of a bond may change depending on market conditions leading to changes in the liquidity premium linked to the price of the bond. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Liquidity in a scheme therefore may suffer.

**Liquidity Risk on account of unlisted securities:** The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

**Settlement Risk:** Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

**Legislative Risk:** Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Schemes.

**Risk of Rating Migration:** It may be noted that the price of a rated security would be impacted with the change in rating and hence, there is risk associated with such migration.

### ***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.

***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 segregated portfolio:**

The unit holders may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, the AMC shall enable listing of units of segregated portfolio on the recognized stock exchange.

The risks associated in regard to the segregated portfolio are as follows:

- The investors holding units of the segregated portfolio may not be able to liquidate their holdings till the time of recovery of money from the issuer.
- The security comprising the segregated portfolio may not realize any value.
- Listing of units of the segregated portfolio on a recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units of the segregated portfolio on the stock exchange.
- The trading price of units on the stock exchange may be significantly lower than the prevailing Net Asset Value (NAV) of the segregated portfolio.

**Risk factors associated with investment in Tri-Party Repo**

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems

provided by CCIL; thus reducing the settlement and counter party risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Tri-party Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

#### **Risk associated with Exchange Traded Fund:**

- a) **Absence of Prior Active Market:** Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
- b) **Lack of Market Liquidity:** Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit breaker' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.
- c) **Units of Exchange Traded Funds May Trade at Prices Other than NAV:** Units of Exchange Traded Funds may trade above or below their NAV. The NAV of Units of Exchange Traded Funds may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in Creation Units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.
- d) **Regulatory Risk:** Any changes in trading regulations by the Exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/ discount to NAV. Although 360 ONE Silver ETF is proposed to be listed on Exchange, the AMC and the Trustees will not be liable for delay in listing of Units of the Scheme on Exchange / or due to connectivity problems with the depositories due to the occurrence of any event beyond their control.
- e) **Political Risks:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved removal of trade barriers and

protectionist measures, which could adversely affect the value of investments. It is possible that the future changes in the Indian political situation, including political, social or economic instability, diplomatic developments and changes in laws and regulations could have an effect on the value of investments. Expropriation, confiscatory taxation or other relevant developments could affect the value of investments.

f) **Restriction on Redemptions:** The Trustee, in the general interest of the unit holders of the Scheme offered under this Scheme Information Document and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Business Day depending on the total "Saleable Underlying Silver" available with the fund.

g) **Redemption Risk:** The Unit Holders may note that even though this is an open ended scheme, the Scheme would ordinarily repurchase Units in Creation Unit size. Thus unit holdings less than the Creation Unit size can normally only be sold through the secondary market unless no quotes are available on the Exchange for 3 trading days consecutively.

h) **Asset Class Risk:** The returns from the types of securities in which a Scheme invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of out-performance and under performance in comparison of the general securities markets.

i) **Passive Investments:** As the Scheme is not actively managed, the underlying investments may be affected by a general decline in the Silver Price. The scheme invests in the Silver will be regardless of their investment merit. The AMC does not attempt to take defensive positions in declining markets. Further, the fund manager does not make any judgment about the investment merit nor shall attempt to apply any economic, financial or market analysis.

j) **Tracking Error Risk:** Factors such as the fees and expenses of the Scheme, cash balance, changes to the Underlying assets and regulatory policies may affect AMC's ability to achieve close correlation with the Underlying assets of the scheme. The Scheme's returns may therefore deviate from those of its Underlying assets.

k) Tracking Error of ETFs is likely to be low as compared to a Price of Silver. Due to the Creation / Redemption of units through the in-kind mechanism the fund can keep lesser funds in cash. Also, time lag between buying / selling units and the Silver is much lower. The Investment Manager would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal circumstances, such tracking errors are not expected to exceed 2% per annum. However, this may vary when the markets are very volatile. However, there can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Benchmark.

#### **Risk specific to investing in securities forming part of Domestic Price of Physical Silver and risks:-**

The Scheme will invest atleast 95% of its net assets in Silver (Includes Physical Silver and other Silver related instruments as permitted by SEBI from time to time). To the extent that the scheme may concentrate its investments in Silver and Silver related instruments, the Scheme will therefore be subject to the risks associated with such concentrations.

As per provision no. 3.2.7.1 read with provision no. 3.3.10.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Market risk due to volatility in Silver prices: The value of the Units relates directly to the value of the underlying Silver held by the Scheme and fluctuations in the price of Silver could

adversely affect the investment value of the Units. The price of Silver may fluctuate due to various factors such as: –

- 1) Global Silver supplies and demand, which is influenced by factors such as forward selling by Silver producers, purchases made by Silver producers to unwind Silver hedge positions, central bank purchases and sales, and productions and cost levels in major Silver producing countries such as the South Africa, the United States, Australia and China.
- 2) Investor's expectations with respect to the rate of inflation.
- 3) Currency exchange rates.
- 4) Interest rates
- 5) Investment and trading activities of commodity funds/hedge funds.
- 6) Global or regional political, economic or financial events and situations

In addition, there is no assurance that Silver will maintain its long-term value in terms of purchasing power in the future. In the event that the price of Silver declines, the value of investment in units in which the scheme has invested will, in general, decline proportionately.

As per provision no. 3.2.7.1 read with provision no. 3.3.10.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Liquidity risks in physical or derivative markets impairing the ability of the fund to buy and sell Silver: Commodities tend to be more volatile than other instruments. This may have an impact on liquidity. Liquidity considerations may have a price basis risk. Liquidity risks may arise due to issues related to the supply chain which affects the availability of Silver. During an undetermined situation, similar to what happened during the pandemic, transportation all over the world had come to a standstill. Financial markets had experienced extreme volatility and severe losses, and trading in many instruments had been disrupted. Liquidity for many instruments had been greatly reduced for periods of time, and most commodities were in short supply resulting in illiquid markets for most commodities including Silver. The lack of liquidity in the physical market may also arise due to seasonality of demand and supply or volatility prices. Lastly, government regulations including change in taxation or duties levied on Silver may affect the demand and supply and may affect the liquidity.

The Scheme's Silver may be subject to loss, damage, theft or restriction on access. There is a risk that part or all of the Scheme's Silver could be lost, damaged or stolen. Access to the Scheme's Silver could also be restricted by natural events (such as earthquake) or human actions (such as terrorist attack). Any of these actions may adversely affect the operations of the scheme and consequently an investment in units.

As per provision no. 3.2.7.1 read with provision no. 3.3.10.4 of SEBI Master Circular on Mutual Funds dated June 27, 2024, Risks associated with handling, storing and safekeeping of physical Silver: Currently, all physical Silver procured must follow the LBMA (London Bullion Market Association) guidelines as per prescribed SEBI guidelines. Risk arises when part or all of the Silver held by the Scheme could be lost, stolen or damaged and access to Silver may be restricted due to natural calamities or human actions, loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. Loss due to aridity, humidity, exposure to light or extremes of temperature. Hence, the Custodian maintains insurance in regard to the business on terms and conditions and the custodian is also responsible for all costs arising from the



insurance policies. The custodian taking delivery on behalf of the AMC needs to ensure the weight, purity, and the source of Silver as specified under the LBMA guidelines.

**Risk Factors Associated with Investments in Exchange Traded Commodity Derivatives (ETCD) of various commodities:**

The Scheme may invest in commodities markets as permitted under various regulations and may therefore have investment exposure to the commodities markets and one or more sectors of the commodities markets, which may subject the Scheme to greater volatility than investments in traditional securities, such as stocks and bonds. Volatility in the commodities markets may be caused by changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates, investment and trading activities of mutual funds, hedge funds and commodities funds, and factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments, or supply and demand disruptions. Because the Scheme's performance is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Scheme's shares.

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

The AMC within the regulatory guidelines and room given in Scheme information document, may use derivative on commodities (like Futures and Options). The use of derivatives may affect the performance of the scheme. Systemic risks which may be witnessed while trading in Indian Commodities Market are Liquidity risk, Price risk in terms of volatility, Exchange Risk and counterparty risks.

i. Liquidity Risk: While ETCDs that are listed on an exchange carry lower liquidity risk, the ability to sell these contracts is limited by the overall trading volume on the exchanges. The liquidity of the Schemes' investments is inherently restricted by trading volumes of the ETCD contracts in which it invests.

Additionally, change in margin requirements or intervention by government agencies to reduce overall volatility in the underlying commodity could lead to adverse impact on the liquidity of the ETCD.

ii. Price risk: ETCDs are leveraged instruments hence, a small price movement in the underlying security could have a large impact on their value. Also, the market for ETCDs is nascent in India hence, arbitrage can occur between the price of the physical commodity and the ETCD, due to a variety of reasons such as technical issues and volatile movement in the price of the physical good. This can result in mispricing and improper valuation of investment decisions as it can be difficult to ascertain the amount of the arbitrage.

iii. Settlement risk: ETCDs can be settled either through the exchange or physically. The inability to sell

ETCDs held in the Schemes' portfolio in the exchanges due to the extraneous factors may impact liquidity and would result in losses, at times, in case of adverse price movement. Wherein the underlying commodity is physically delivered in order to settle the derivative contract, such settlement could get impacted due to various issues, such as logistics, Government policy for trading in such commodities.

iv. If the Commodities futures position passes its last square off date or the 'Intention' is missed to be provided before the Delivery Intention period, the buyer or the seller will be allocated delivery of the commodity. Thus, there emerges a risk of holding goods in physical form at the warehouses. Though the commodity is inclusive of insurance cost, there is a small deductible in each claim which is not payable by the Insurance company.

#### **Risks associated with Tracking errors/ difference:**

Tracking error means the extent to which the NAV of the fund moves in a manner inconsistent with the movements of the benchmark index on any given day or over any given period of time due to any cause or reason whatsoever including but not limited to expenditure incurred by the scheme, whole cash not invested at all times as it may keep a portion of funds in cash to meet redemption etc. The tracking error i.e. the annualized standard deviation of the difference in daily returns between the underlying index or goods and the NAV of the Scheme based on daily past one year rolling data shall not exceed 2%. In case of unavoidable circumstances in the nature of force majeure, which are beyond the control of the AMCs, the tracking error may exceed 2% and the same shall be brought to the notice of Trustees with corrective actions taken by the AMC, if any. However, the Fund will endeavour to limit the tracking error within 2% limits. Tracking difference is the difference of return between the scheme and benchmark annualized over 1 year, 3 year, 5 years, 10 years and since inception period.

Tracking error/ difference could be the result of a variety of factors including but not limited to:

- Delay in the purchase or sale of Silver due to illiquidity
- Delay in realisation of sale proceeds
- The scheme may buy or sell the Silver at different points of time during the trading session at the then prevailing prices which may not correspond to its closing prices.
- The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses.
- Execution of large buy / sell orders
- Transaction cost and recurring expenses
- Delay in realisation of Unit holders' funds
- Levy of margins by exchanges

SEBI / other Regulatory restrictions on investments and/ or divestments by the scheme / Mutual Fund, which are outside the control of AMC, which may further cause / impact the tracking error.

#### **Risks associated with Silver**

- Price fluctuations and Volatility:



Mutual Funds, like Silver investments, are subject to market and other risks and there can be neither a guarantee against loss resulting from an investment in the Scheme nor any assurance that the objective of the Scheme will be achieved. The NAV of the Units issued under the Scheme can go up or down because of various factors that affect the capital market in general, such as, but not limited to, changes in interest rates, government policy and volatility in the capital markets. Pressure on the exchange rate of the Rupee may also affect security prices.

- **Concentration / Sector Risk:**

When a Mutual Fund Scheme, by mandate, restricts its investments only to a particular sector; there arises a risk called concentration risk. If the sector, for any reason, fails to perform, the portfolio value will plummet and the Investment Manager will not be able to diversify the investment in any other sector.

- **Liquidity Risks:**

Liquidity in investments in Silver may be affected by demand and currency fluctuation. These factors may also affect the Scheme's ability to make intended purchases/sales, cause potential losses to the Scheme and result in the Scheme missing certain investment opportunities. These factors can also affect the time taken by GMF for redemption of Units, which could be significant in the event of receipt of a very large number of redemption requests or very large value redemption requests. In view of this, redemption may be limited or suspended after approval from the Boards of Directors of the AMC and the Trustee, under certain circumstances as described in the Statement of Additional Information.

### **C. Risk Mitigation Strategies**

ETF Scheme being a passive investment carries lesser risk as compared to active fund management. The portfolio invest in Silver and therefore the level of concentration in the portfolio and its volatility would be the same as that of the Physical price of the Silver, subject to tracking error. Thus there is no additional element of volatility concentration on account of fund manager decisions.

#### **Risk control measures with respect to Debt & Money Market Instruments**

**Market Risk / Interest Rate Risk:** Changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. The price movement up and down in fixed income securities will lead to possible movements in the NAV.

Mitigation - In a rising interest rates scenario the scheme may increase its investment in money market securities whereas if the interest rates are expected to fall the allocation to debt securities with longer maturity may be increased thereby mitigating risk to that extent.

**Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).

Mitigation- The scheme may invest in government securities, corporate bonds and money market instruments. While the liquidity risk for government securities, money market instruments and short maturity corporate bonds may be low, it may be high in case of medium to long maturity corporate bonds.

**Credit risk or default risk:** It refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

**Mitigation**—As part of the due diligence, management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken to review its ability to undergo stress on cash flows and asset quality. A detailed evaluation of accounting policies, off-balance sheet exposures, notes, auditors' comments and disclosure standards will also be made to assess the overall financial risk of the potential borrower. In case of securitized debt instruments, the Scheme will ensure that these instruments are sufficiently backed by assets.

#### **Risk control with respect to derivatives**

As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations.

**Mitigation-** Exposure with respect to derivatives shall be in line with regulatory limits and the limits specified in the SID. All equity derivatives trade will be done only on the exchange with guaranteed settlement.

#### **Risk control measures with respect to Silver (Includes Physical Silver and other Silver related instruments as permitted by SEBI from time to time)**

Investment objective of the scheme is to generate returns, corresponding to the Domestic Price of Physical Silver before expenses, subject to tracking errors, fees and expenses by investing in Physical Silver. There is no assurance or guarantee that the investment objective of the scheme will be achieved. ETF being a passive investment carries lesser risk as compared to active fund management. The portfolio follows the Benchmark index and therefore the level of concentration in the portfolio and its volatility would be the same as that of the Benchmark index, subject to tracking error. Thus, there is no additional element of volatility or concentration on account of fund manager decisions. The fund manager would endeavour to keep cash levels at the minimal to control tracking error.

## **II. Information about the scheme:**

### **A. Where will the scheme invest –**

**Investment in Debt and money market instrument:** The Scheme may also invest in debt and money market instruments, in compliance with Regulations to meet liquidity requirements. The scheme may also invest in liquid schemes of 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund) or other schemes which has objective to invest in debt and money market instruments. Money Market Instruments include but not limited to:

Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all-India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is one year to 3 years from the date of issue.

**Commercial Paper (CP):** Commercial Paper (CP) is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity.

**Repo of Government Securities:** Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds.

**Treasury Bill (T-Bill):** Treasury Bills (T-Bills) are issued by the Government of India or State Governments to meet their short term borrowing requirements. T-Bills are issued for maturities of 91 days, 182 days and 364 days. T-Bills are issued at a discount and for a fixed period.

**Tri-party repo (TREPS):** Tri-party repo is a type of repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.

**Securities created and issued by the Central and State Governments** as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

### **Investment in Short Term Deposits**

Pending deployment of funds as per the investment objective of the Scheme, the funds may be parked in short term deposits of Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

The aforementioned securities may be acquired through Initial Public Offering (IPOs), secondary market, private placement, rights offers, negotiated deals. Further investments in debentures,

bonds and other fixed income securities will be in instruments which have been assigned investment grade rating by the Credit Rating Agency.

Investment in unrated debt instruments shall be subject to complying with the provisions of the Regulations and within the limit as specified in Schedule VII to the Regulations.

The securities / instruments mentioned above and such other securities the Scheme is permitted to invest in could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity subject to investment limits specified elsewhere in this document as prescribed under SEBI Regulations.

The Fund Manager reserves the right to invest in such securities as may be permitted from time to time and which are in line with the investment objectives of the Scheme.

### **Exchange Traded Commodity Derivatives**

Exchange-Traded Currency Derivatives (ETCDs) are financial instruments traded on regulated exchanges that derive their value from underlying commodities. ETCDs provide a transparent, standardized, and regulated way to gain exposure to commodities, with benefits like reduced counterparty risk and increased liquidity compared to over-the-counter (OTC) derivatives.

**Investments in units of mutual fund schemes** – The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds in conformity with the investment objective of the Scheme and in terms of the prevailing SEBI (MF) Regulations

### **B. What are the investment restrictions?**

The following investment limitations and other restrictions, inter-alia, as contained in the Trust Deed and the Regulations apply to the Scheme:

- The corpus of the Scheme shall be invested only in Silver or Silver related instruments in accordance with its investment objective, except to the extent necessary to meet the liquidity requirements for honoring repurchases or redemptions, as disclosed in this Scheme Information Document.
- The Mutual Fund shall buy and sell physical Silver/securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities/ Silver and in all cases of sale, deliver the securities/ Silver.  
Provided that, the Mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities. **Provided** that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board.
- A scheme may invest in another scheme, under the same AMC or any other mutual fund provided that the aggregate inter-scheme investments made by all schemes under the same AMC or any other mutual fund shall not exceed 5% of the net assets of the Fund or any other limit as prescribed by the Regulations from time to time. The AMC is not permitted by the

Regulations to charge any investment management and advisory services fee on such investments.

- Pending deployment of the corpus of the Scheme in securities in terms of investment objective, the Fund can invest the corpus of the Scheme in short term deposits of scheduled commercial banks as per the guidelines given in clause 12.16 and 4.5 of SEBI master Circular dated June 27, 2024. The AMC shall not charge any investment management and advisory fees for parking of funds in such short-term deposits of scheduled commercial banks for the scheme.
- The Scheme shall not make any investment in: a) any unlisted security of an associate or group company of the Sponsor; or b) any security issued by way of private placement by any associate or group company of the Sponsor; or c) the listed securities of group companies of the Sponsor in excess of 25% of its net assets except for investments by equity oriented exchange traded funds (ETFs) and Index Funds and subject to such conditions as may be specified by SEBI.
- The Scheme shall not invest in any Fund of Funds Scheme.
- Wherever investments are intended to be of a long-term nature, the securities shall be purchased or transferred in the name of the Fund, on account of the Scheme concerned.

**Investment restrictions relating to investment in debt and money market instruments;**

- As per clause 12.8 of SEBI Master Circular dated June 27, 2024,  
A mutual fund scheme shall not invest more than:
  - a. 10% of its NAV in debt and money market securities rated AAA; or
  - b. 8% of its NAV in debt and money market securities rated AA; or
  - c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

- The Scheme shall not invest in unlisted debt instruments including commercial papers, except (a) Government Securities and (b) other money market instruments which are used by mutual funds for hedging. Provided further, the Scheme may invest in unlisted nonconvertible debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis. Provided further that mutual fund schemes shall comply with the norms under this clause within the time and in the manner as may be specified by the Board.

Provided further that, investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by mutual fund scheme shall be subject to the following:

- a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
- b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
- c. All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

- The Scheme's total exposure in a particular sector (excluding investments in Bank CDs, TREPS, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio/ an affordable housing loan portfolio.

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total Investment/exposure in HFCs shall not exceed 20% of the net assets of the Scheme.

- Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if:
  - (a) such transfers are made at the prevailing market price for quoted Securities on spot basis (spot basis shall have the same meaning as specified by Stock Exchange for spot transactions.
  - (b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made and
  - (c) the Transfer is in conformity with additional safeguards as prescribed by clause 12.30 of SEBI Master Circular dated June 27, 2024.
- Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1 A of Seventh Schedule to the Regulations.
- No term loans for any purpose may be advanced by the Fund and the Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or IDCWs to Unit Holders, provided that the Fund shall not borrow more than 20% of the net assets of the Scheme and the duration of such a borrowing shall not exceed a period of six months.

**Investment Limits in ETCDs:** Participation of mutual funds in ETCDs shall be subject to the following investment limits:

- Mutual fund schemes shall participate in ETCDs of a particular goods (single), not exceeding 10% of net asset value of the scheme. However, the limit of 10% is not applicable for investments through Silver ETFs in ETCDs having Silver as underlying.
- The exposure to ETCDs shall not be more than 30% of the net asset value of the scheme.

**Investment restrictions relating to derivative investments:**

In accordance with SEBI circulars dated September 14, 2005, January 20, 2006, September 22, 2006 and clause 12.25 of SEBI Master circular dated June 27, 2024, the following conditions shall apply to the Scheme's participation in the derivatives market. Please note that the investment restrictions applicable to the Scheme's participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

Clause 12.25 of SEBI Master circular dated June 27, 2024 have prescribed the following investment restrictions w.r.t. investment in derivatives:

i. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

ii. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{(\text{Portfolio Modified Duration} * \text{Market Value of the Portfolio})}{(\text{Futures Modified Duration} * \text{Futures Prices/PAR})}$$

iii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iv. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a. Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b. Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

v. The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of a Scheme.

vi. A Scheme cannot write options or purchase instruments with embedded written options.

vii. In case a Scheme invests in options, the option premium shall not exceed 20% of the net assets of a Fund.

viii. Cash or cash equivalents with residual maturity of less than 91 days will not be treated as creating any exposure.

ix. Derivatives positions for hedging purposes will not be included in the aforesaid limits subject to compliance with the requirements mentioned in SEBI Regulations.

x. A Scheme may enter into plain vanilla interest rate swaps for hedging purposes with a counter party which is recognized as a market maker by RBI. Further, the value of the notional principal in such cases will not exceed the value of respective existing assets being hedged by a Scheme.



xi. In case of interest rate swaps, the exposure to a single counterparty shall not exceed 10% of the net assets of a Scheme.

xii. The exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limit mentioned in point (v).

The AMC / Trustee may alter these above stated restrictions from time to time to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective. The AMC/Trustee may from time to time alter these restrictions in conformity with the SEBI (MF) Regulations. Further, apart from the investment restrictions prescribed under SEBI (MF) Regulations, the Fund may follow any internal norms vis-à-vis restricting/ limiting exposure to a particular scrip or sector, etc. All investment restrictions shall be applicable at the time of making investment.

### **C. Fundamental Attributes**

Following are the fundamental attributes of the Scheme, in terms of clause 1.14 of SEBI Master Circular dated June 27, 2024:

- I. **Type of Scheme:** An open-ended exchange traded fund replicating/tracking domestic prices of Silver.
- II. **Investment Objective:**
  - Investment objective: Please refer section of 'Investment Objective'.
  - Investment pattern - Please refer section of 'Asset Allocation'.
- III. **Terms of Issue:** Terms of Issue relating to:
  - **'Listing, repurchase, redemption of units':** Provisions with respect to listing, repurchase, redemption of units as indicated in this Scheme Information Document.
  - **'Aggregate fees and expenses':** Please refer Section on 'Annual Scheme Recurring Expenses'.
  - **'Safety Net or Guarantee':** The Scheme does not provide any guaranteed or assured return.

In accordance with Regulation 18(15A) of the Regulations and Clause 1.14.1.4 of SEBI Master Circular date June 27, 2024, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and Plan(s)/Option(s) thereunder or the trust or fees and expenses payable or any other change which would modify the Scheme and the Plan(s)/Option(s) thereunder and affect the interest of the Unit Holders will be carried out unless:

- SEBI has reviewed and provided its comments on the proposal;
- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as



in a Marathi daily newspaper with wide circulation published in Mumbai (as the head office of the Fund is situated there); and

- The Unit holders are given an option for a period of atleast 30 calendar days to exit at the prevailing Net Asset Value without any Exit Load.

#### **D. Index methodology**

Since there is no suitable index available for Silver or instruments linked to Silver, the performance of the scheme will be benchmarked against the Domestic Prices of Silver.

#### **E. Principles of incentive structure for market makers (for ETFs)**

Performance based incentives as and when offered to market maker, shall be disclosed as per SEBI Circular. The same shall be charged within the permissible TER limit.

#### **F. Other Scheme Specific Disclosures:**

<b>Listing and Transfer of units</b>	<p><b>Listing of units:</b> The Units of the scheme are listed on NSE Limited and BSE Limited. The Units of the Scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market.</p> <p><b>Transfer of Units:</b> In accordance with clause 14.4.4 of SEBI Master circular, units of 360 ONE Silver ETF that are held in demat as well as in physical form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the transfer may be effected in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, provided the transferee is otherwise eligible to hold the Units.</p>
<b>Dematerialization of Units</b>	<p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of the ETF will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units directly from the fund in Creation Unit Size. In case the demat details are not mentioned in the application or the mentioned details are incorrect/incomplete/illegible/ambiguous, such applications will be rejected.</p>

	The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.
<b>Minimum Target Amount</b> (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	Not Applicable.
<b>Maximum Amount to be raised (If any)</b>	Not Applicable
<b>IDCW Policy</b>	The Scheme does not offer any Plans/Options for investment. The AMC/Trustee reserve the right to introduce Option(s) as may be deemed appropriate at a later date.
<b>Allotment</b>	<p>All applicants whose amount is received towards Purchase of Units have been realized will receive full and firm allotment of Units, provided the Application Forms are complete in all respects and are found to be in order. The AMC/Trustee retains the sole and absolute discretion to reject any Application Form.</p> <p>The said discretion shall be used by the AMC/Trustee in various scenarios like receiving money from Third party or dubious sources or from clients of high risk jurisdictions.</p> <p>The process of allotment of Units reflecting the allotments will be completed within 5 Business Days from the date of closure of the NFO Period.</p> <p>The investors will receive confirmation specifying the number of Units allotted by way of electronic mail and/or SMS to the investor's registered e-mail address and/or mobile number as soon as possible but not later than five working days from the date of receipt of the application.</p> <p>Since the will be in held in dematerialized form, an account statement could be obtained from the Depository Participants.</p>
<b>Refund</b>	<p>In accordance with the Regulations, if the Scheme fails to collect the minimum subscription amount as specified above, the Fund shall be liable to refund the subscription money to the applicants within 5 working days of closure of NFO.</p> <p>In addition to the above, refund of subscription money to applicants whose applications are invalid for any reason</p>

	<p>whatsoever, will commence immediately after the allotment process is completed. Full amount will be refunded within 5 working days of closure of NFO.</p> <p>If the Fund refunds the subscription money later than 5 working days, interest @ 15% p.a. for delayed period will be paid and charged to the AMC. Refund orders will be marked 'Account Payee only' and drawn in the name of the applicant in the case of the sole applicant and in the name of the first applicant in all other cases.</p>
<p><b>Who can invest</b></p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your risk profile.</p>	<p>The following persons (subject, wherever relevant, to purchase of units being permitted under their respective constitution and relevant state regulations) are eligible to subscribe to units:</p> <ul style="list-style-type: none"> <li>• Resident adult individuals, either singly or jointly (not exceeding three) or on anyone or Survivor basis;</li> <li>• Minor (as the first and the sole holder only) through a natural guardian (i.e. father or mother, as the case may be) or a court appointed legal guardian. There shall not be any joint holding with minor investments;</li> <li>• Proprietorship in the name of Sole Proprietor;</li> <li>• Karta of Hindu Undivided Family (HUF);</li> <li>• Partnership Firms including Limited Liability Partnership;</li> <li>• Companies/Domestic Corporate Bodies/Societies/Association of Persons/Body of individuals/Clubs/Public Sector Undertakings registered in India if authorized and permitted to under applicable laws and regulations;</li> <li>• Charitable or Religious Trusts authorized to invest in units of Mutual Funds;</li> <li>• Mutual Funds registered with SEBI;</li> <li>• Banks (including co-operative Banks and Regional Rural Banks), Financial Institutions and Investment Institutions incorporated in or the Indian branches of banks incorporated outside India;</li> <li>• Non-Resident Indians (NRIs), Persons of Indian Origin (PIO) residing abroad on full repatriation basis and on non-repatriation basis;</li> <li>• Foreign Portfolio Investors (FPI) registered with SEBI;</li> <li>• Wakf Boards or endowments and Registered Societies (including registered co-operative societies) and private trusts authorized to invest in units;</li> <li>• Army/Air Force/Navy/Para-military funds and other eligible institutions;</li> <li>• Scientific and/or Industrial Research Organizations;</li> <li>• Multilateral Funding Agencies or Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India;</li> </ul>

	<ul style="list-style-type: none"> <li>• Other schemes of 360 ONE Mutual Fund (Formerly known as IIFL Mutual Fund) or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme;</li> <li>• Provident/Pension/Gratuity/Superannuation and such other retirement and employee benefit and other similar funds;</li> <li>• Other Associations, Institutions, Bodies, etc. authorized to invest in the units;</li> <li>• Such other person as maybe decided by the AMC from time to time. This list given above is indicative and the applicable law, if any, shall supersede the list.</li> </ul> <p>Note: Minor Unit Holders, on becoming major, may inform the Registrar about attaining majority, and provide his specimen signature duly authenticated by his parent/ guardian, whose signature is registered in the records of the mutual fund/RTA (against the folio of minor unitholder) and if the parent/ guardian is unavailable or unable to attest, then by the banker as well as his details of bank account, a certified true copy of the PAN card and other documents, to enable the Registrar to update his records and allow them to operate the account in his own right.</p> <p>All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form without these details will be treated as incomplete. Such incomplete applications will be liable to be rejected.</p>
<b>Who cannot Invest</b>	<ul style="list-style-type: none"> <li>• Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999 (FEMA) except where registered with SEBI as a FPI or otherwise explicitly permitted under FEMA Act/by RBI/by any other applicable authority.</li> <li>• Pursuant to RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003, Overseas Corporate Bodies (OCBs) cannot invest in Mutual Funds.</li> <li>• NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.</li> <li>• A person who falls within the definition of the term “U.S. Person” under the Securities Act of 1933 of the United States, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes and apply for subscription to the units of the schemes,</li> </ul>

	<p>except for lump sum subscription and switch transactions requests received from Non-resident Indians/Persons of Indian origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by 360 ONE Asset Management Limited from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.</p> <ul style="list-style-type: none"> <li>• A person who is resident of Canada</li> </ul> <p>Such other persons as may be specified by AMC from time to time.</p>
<b>How to Apply and other details</b>	<p>The Key Information Memorandum along with application form is available at the Investor Service Centers (ISCs)/ Official Points of Acceptance (OPAs) or may be downloaded from the website <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a> of the Mutual Fund.</p> <p>Please refer <a href="https://www.360.One/asset-management/mutualfund/downloads/information-documents/">https://www.360.One/asset-management/mutualfund/downloads/information-documents/</a> for the list of official points of acceptance.</p> <p>The name, address and contact no. of Registrar and Transfer Agent (R&amp;T), email id of R&amp;T, website address of R&amp;T, official point of acceptance, collecting banker details etc. are mentioned at the end of the SID.</p> <p>Please refer to the SAI for detailed procedure and Application form for the instructions.</p> <p>Please note that it is mandatory for the unitholders to provide the bank account details as per SEBI guidelines.</p>
<b>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</b>	Not applicable.

<p><b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b></p>	<p><b>Suspension of Sale and Redemption of Units:</b></p> <p>Suspension of Sale and Redemption of Units Suspension or restriction of repurchase/ redemption facility under any scheme of the mutual fund shall be made applicable only after obtaining the approval from the Boards of Directors of the AMC and the Trustees.</p> <p>Additionally, the following requirements shall need to be observed before imposing restriction on redemptions:</p> <p>a) Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:</p> <ul style="list-style-type: none"> <li>i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security.</li> <li>ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.</li> <li>iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.</li> </ul> <p>b) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.</p> <p>c) Any imposition of restriction would require specific approval of Board of AMC and Trustees and the same should be informed to SEBI immediately.</p> <p>d) When restriction on redemption is imposed, the following procedure shall be applied:</p> <ul style="list-style-type: none"> <li>1. No redemption requests up to INR 2 lakh shall be subject to such restriction.</li> <li>2. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.</li> </ul>
<p><b>Cut off timing for subscriptions/ redemptions / switches</b></p> <p><b>This is the time before which</b></p>	<p>Investors / Unit holders to note that the below mentioned Cut-off time are not applicable to transactions undertaken on a recognised stock exchange and are only applicable to transactions undertaken at the Official Points of Acceptance.</p>

<p><b>your application (complete in all respects) should reach the official points of acceptance</b></p>	<p>The Cut-off time for receipt of valid application for Subscriptions and Redemptions is 3.00 p.m. However, the requirement of “cut-off” timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with Asset Management Company (AMCs) in ETFs by MMIs and other eligible investors. The Scheme is an Exchange Traded Fund, the Subscriptions and Redemptions of Units would be based on the Portfolio Deposit and Cash Component as defined by the Fund for that respective Working Day.</p>
<p><b>Minimum Amount for purchase /redemption / switches in an Option of the Scheme</b></p>	<p>On an Ongoing basis the transaction requests (applicable for Market Makers/Large Investors) can be submitted at the head office of the AMC or CAMS collection center. In case the applications are received at any of the branch offices of the AMC, such branch office shall facilitate in sending the transaction requests to the CAMS Collection center.</p> <p><b>On The Exchange:</b> Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the Stock Exchange on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p><b>Directly from the Fund:</b> The Scheme offers for subscriptions/redemptions only for Market Makers and Large Investors (subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) w.e.f. May 01, 2023) in “Creation Unit Size” on all Business Days. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units of the Scheme including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor. The Fund creates/redeems Units of the Scheme in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 30,000 Units of 360 ONE Silver ETF. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 30,000 Units of the Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme. The Portfolio Deposit and Cash Component for the Scheme may change from time to time. The subscription/redemption of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash. The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying</p>

	<p>instruments.</p> <p>Large Investors can directly purchase / redeem in blocks from the fund in "Creation unit size" subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time.</p> <p>However, the aforementioned threshold of INR 25 Cr. shall not apply to investors falling under the following categories (until such time as may be specified by SEBI/AMFI):</p> <ol style="list-style-type: none"> <li>Schemes managed by Employee Provident Fund Organisation, India;</li> <li>Recognised Provident Funds, approved Gratuity funds and approved superannuation funds under Income Tax Act, 1961.</li> </ol>
<b>Account Statements</b>	<p>Pursuant to sub regulation (1), (2) and (4) of Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 read with Clause of 5.4, 14.4, 5.8, 5.9, 5.12, 5.18 and 10.1 of SEBI Master circulars dated June 27, 2024, investors are requested to note the following regarding dispatch of account statements:</p> <ul style="list-style-type: none"> <li>On acceptance of an application for subscription or allotment of units (including by way of SIP, STP, switch units), an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or an SMS, within 5 Business Days from the date of receipt of a valid application, to the Unit holder's registered e-mail address and/or mobile number.</li> <li>Thereafter, the Unit Holder will be sent, on or before the 15th of the immediately succeeding month, by way of a mail / an e-mail, a CAS, containing the details of the transaction mentioned above as well as details of all other transactions effected by the Unit holder across schemes of all mutual funds during the preceding month, including his/her/its holdings at the end of the said month and details of transaction charges paid to distributors, as applicable. Investors may note that CAS will be issued on a monthly basis to all investors in whose folio's transactions have taken place during the month concerned.</li> <li>Consolidated account statement shall be issued every half yearly (September/March), on or before 21<sup>st</sup> day of succeeding month, providing the following information: - <ul style="list-style-type: none"> <li>holding at the end of the six months</li> <li>The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme.</li> <li>Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and</li> </ul> </li> </ul>



	<p>Service Tax (wherever applicable, as per existing rates), operating expenses, etc. The scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.</p> <p>For further details, refer SAI.</p>
<b>IDCW</b>	<p>The Scheme does not offer any Plans/ IDCW Options for investment.</p> <p>The AMC/Trustee reserves the right to introduce Plan(s)/Option(s) as may be deemed appropriate at a later date.</p>
<b>Redemption Process</b>	<p>As per Clause 14.1 of SEBI Master Circular dated June 27, 2024, the redemption or repurchase proceeds shall be transferred to the unitholders not later than 3 working days from the date of redemption or repurchase, once the scheme opens for the same.</p> <p>Under exceptional circumstances, the redemption or repurchase proceeds shall be dispatched in physical form to the unitholders</p> <p>The Unit Holder has the option to request for Redemption either in amount in rupees or in number of Units. Units purchased by cheque may not be redeemed until after realization of the cheque. In case the investor mentions the number of Units as well as the amount, then the amount will be considered for processing the Redemption request. In case the investor mentions the number of units or the amount in words and figures, then the value in words will be taken for processing the Redemption request. If the redemption request amount exceeds the balance lying to the credit of the Unitholder's said account, then the fund shall redeem the entire amount lying to the credit of the Unitholder's account in that Scheme/Option.</p> <p>If an investor has purchased Units on more than one Business Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), are deemed to have been redeemed first, i.e. on a First In First Out Basis.</p> <p><b>Payment of Proceeds Resident Investors:</b> Redemption proceeds will be paid to the investor by way of transfer to bank account as available on the records of the Registrar.</p> <p>Physical despatch of redemption or repurchase proceeds shall be</p>

	<p>carried out only in exceptional circumstances as published by AMFI/ SEBI from time to time.</p> <p>In case of physical dispatch, the bank name and bank account number, as specified in the Registrar's records, will be mentioned in the cheque/demand draft. The redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post/UCP. The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.</p> <p>Note: The AMC, at its discretion at a later date, may choose to alter or add other modes of payment. The Redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post. The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar is not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.</p> <p><b>Non-Resident Investors</b></p> <p>For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p>(i) Repatriation Basis: When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account kept in India, the proceeds can be remitted to the Unit Holder in foreign currency (any exchange rate fluctuation will be borne by the Unit Holder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / Non-Resident (Ordinary) Account, if desired by the Unit Holder.</p> <p>(ii) Non Repatriation Basis: When Units have been purchased from funds held in the Unit Holder's Non-Resident (Ordinary) Account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's Non-Resident (Ordinary) account.</p> <p>For FPIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Nonresident Rupee account of the FPI maintained in accordance with the approval granted to it by the RBI. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations while converting the Rupee amount in foreign exchange in the case of transactions with NRIs / FPIs.</p>
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The proceeds may be paid by way of direct credit through which the investor's bank account specified in the Registrar's records is credited with the Redemption proceeds. The Direct Credit facility is available for specific banks with whom AMC have a tie up from time to time. Investors need to check with the AMC for an updated list of the Direct Credit Banks. Investors having bank mandates where the AMC has a Direct Credit facility will receive redemption / IDCW proceeds by way of Direct Credit only and not cheques.

The Fund may make other arrangements for effecting payment of Redemption proceeds in future.

**Application through Stock Exchange Infrastructure (MFSS/ BSE StAR MF Platform):**

Investors wishing to redeem their units held in demat mode in Scheme listed on MFSS and BSE StAR MF platform, can place their redemption request with the AMFI Certified Stock Exchange Brokers by providing Depository Instruction Slip with redemption details. The AMFI Certified Stock Exchange Broker will place the redemption order in the system and will provide a confirmation slip to the investor. The redemption proceeds will be directly credited to the investor's bank account, as per the bank account details recorded with the Depository Participant.

**Application through Mutual Fund Website:**

AMC has enabled facility to transact online in units of the schemes including by way of Redemption of Units by electronic mode through website <https://www.360.one/asset-management/mutualfund/>. The Redemption proceeds, (subject to deduction of tax at source, if any) through this mode, will be credited to the designated/registered bank account of the investors.

**Application through MF Utility:**

All financial and non-financial transactions pertaining to Schemes of 360 ONE Mutual Fund can be done through MFU either electronically on [www.mfuonline.com](http://www.mfuonline.com) as and when such a facility is made available by MFUI or physically through the authorized Points of Service ("POS") of MFUI with effect from the respective dates as published on MFUI website against the POS locations. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com) as may be updated from time to time. The Online Transaction Portal of MFU i.e. [www.mfuonline.com](http://www.mfuonline.com) and the POS locations of MFUI will be in addition to the existing Official Points of Acceptance ("OPA") of the AMC.

The uniform cut-off time as prescribed by SEBI and as mentioned in the SID / KIM of respective schemes shall be applicable for

	<p>applications received on the portal of MFUI i.e. <a href="http://www.mfuonline.com">www.mfuonline.com</a> . However, investors should note that transactions on the MFUI portal shall be subject to the eligibility of the investors, any terms &amp; conditions as stipulated by MFUI / Mutual Fund/ the AMC from time to time and any law for the time being in force. Investors are requested to note that, MFUI will allot a Common Account Number (“CAN”), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Schemes of various Mutual Funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the MFUI POS. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors / distributors through MFU. Investors are requested to visit the websites of MFUI or the AMC to download the relevant forms.</p> <p><b>Redemption by investors who hold Units in dematerialized form:</b> Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participant or through stock exchange platforms.</p>
<b>Bank Mandate</b>	<p>As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. If the Unit-holder fails to provide the Bank mandate, the request for redemption would be considered as not valid and the Fund retains the right to withhold the redemption until a proper bank mandate is furnished by the Unit-holder and the provision with respect of penal interest in such cases will not be applicable/ entertained.</p> <p><b>Multiple Bank Account Registrations:</b> In compliance with AMFI Best Practice Guidelines Circular No.17/2010-11 dated October 22, 2010 and AMFI Best Practice Guidelines Circular No. 26/2011-12 dated March 12, 2012, 360 ONE Mutual Fund offers its investors the facility to register multiple bank accounts in their folios to receive redemption / IDCW proceeds.</p> <p><b>Registration of Multiple Bank Accounts in respect of an Investor Folio:</b> An Investor can register with the Fund, upto 5 bank accounts in case of individuals and HUFs and upto 10 in other cases. Registering of Multiple Bank Accounts will enable the Fund to systematically validate the paying of funds and avoid acceptance of third party payments. For the purpose of registration of bank account(s), Investor should submit Bank Mandate Registration Form (available at the CSCs/ AMC Website) together with one of the following documents:</p>

- a. Cancelled original cheque leaf in respect of bank account to be registered where the account number and names of the account holders are printed on the face of the cheque; or
- b. Bank statement or copy of Bank Pass Book page with the Investor's Bank Account number, name and address.;
- c. Bank letter / certificate on its letter head certifying the account holder's name, account number and branch address [Such letter / certification should be certified by the Bank Manager with his / her full name, signature, employee code.]

The above documents will also be required for change in bank account mandate submitted by the Investor. The AMC will register the Bank Account only after verifying that the sole/ first joint holder is the holder / one of the joint holders of the bank account. In case if a copy of the above documents is submitted, Investor shall submit the original to the AMC/ Service Centre for verification and the same shall be returned. In case of Multiple Registered Bank Account, Investor may choose one of the registered bank accounts for the credit of redemption/ IDCW proceeds (being "Pay-out bank account"). Investor may however, specify any other registered bank accounts for credit of redemption proceeds at the time of requesting for the redemption. Investor may change such Pay-out Bank account, as necessary, through written instructions. However, if request for redemption is received together with a change of bank account (unregistered new bank account) or before verification and validation of new bank account, the redemption request would be processed to the currently registered default old bank account. For further details please refer to paragraph on 'Registration of Multiple Bank Accounts in respect of an Investor Folio' in the SAI

**Discontinuation of Change of Bank Account Mandate along with redemption/IDCW proceeds facility:**

Discontinuation of Change of Bank Account Mandate along with redemption/IDCW proceeds facility. In compliance with AMFI Best Practice Guidelines Circular No.17/2010-11 dated October 22, 2010, consequent to introduction of "Multiple Bank Accounts Facility," the existing facility of redemption/ IDCW proceeds with change of bank mandate is discontinued by the Fund w.e.f. November 15, 2010. New bank accounts can only be registered using the designated "Multiple Bank Account Registration Form". Further please note the following important points in this regard:

- (i) Proceeds of any redemption/IDCW will be sent only to a bank account that is already registered and validated in the folio at the time of redemption transaction processing.

	<p>(ii) Unit holder(s) may choose to mention any of the existing registered bank accounts with redemption/ IDCW payment request for receiving redemption/IDCW proceeds. If no registered bank account is mentioned, default bank account will be used.</p> <p>(iii) If unit holder(s) provide a new and unregistered bank mandate or change of bank mandate request with a specific redemption/IDCW payment request (with or without necessary supporting documents) such bank account may not be considered for payment of redemption/IDCW proceeds, or the Fund may withheld the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned.</p> <p>Valid change of bank mandate requests with supporting documents will be processed within 10 business days of necessary documents reaching the office of RTA and any financial transaction request received in the interim will be carried based on previous details only.</p>
<b>Delay in payment of redemption/repurchase proceeds</b>	As per Clause 14.2 of SEBI Master Circular dated June 27, 2024, the AMC shall be liable to pay interest to the unitholders at rate of 15% per annum and the interest shall be borne by the AMC
<b>Unclaimed Redemption/Income Distribution cum capital withdrawal (IDCW) Amount</b>	<p>In accordance with Clause 14.3 of SEBI Master Circular dated June 27, 2024, the unclaimed Redemption amount and IDCW amount that are currently allowed to be deployed by the Mutual Fund only in call money market or money market Instruments, shall also be allowed to be invested in a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts.</p> <p>Provided that such schemes where the unclaimed redemption and IDCW amounts are deployed shall be only those Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per Clause 17.5 of SEBI Master Circular dated June 27, 2024.</p> <p>AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower. Investors who claim these amounts during a period of three years from the due date shall be paid initial unclaimed amount along with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. AMC shall</p>

	play a proactive role in tracing the rightful owner of the unclaimed amounts considering the steps suggested by regulator vide the referred circular.
<b>Disclosures w.r.t investment by minors</b>	<p>As per Clause 17.6 of SEBI Master Circular dated June 27, 2024, the following Process for Investments in the name of a Minor through a Guardian will be applicable:</p> <p>a. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parents or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.</p> <p>Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.</p> <p>b. Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major.</p> <p>c. AMCs shall build a system control at the account set up stage of Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) on the basis of which, the standing instruction is suspended when the minor attains majority, till the status is changed to major.</p> <p>Please refer SAI for detailed process on investments made in the name of a Minor through a Guardian and Transmission of Units.</p>
<b>Nomination</b>	The SEBI (Mutual Fund) Regulations notifies that the mutual fund shall provide nomination facility to the unit holders to nominate a person in whose favour the units shall be transmitted in the event of death of the unitholder. Any new investor, investing in Mutual Fund Units shall mandatorily have to provide nomination or Opt out of nomination through physical or online mode. The requirement of nomination shall be optional for jointly held folios. For detailed guidelines on Nomination please refer to SAI.
<b>KYC Rules</b>	All the prospective and existing investors / Unit holders of the Fund are requested to note that, pursuant to SEBI Master Circular on Know Your Client (KYC) norms for the securities market dated October 12, 2023 regarding uniformity in KYC process in the securities market and development of a mechanism for centralization of the KYC records, the following KYC procedure is being carried out:



	<p>A) Requirement of PAN:</p> <ul style="list-style-type: none"> <li>• In order to strengthen the KYC norms and identify every participant in the securities market with their respective PAN thereby ensuring sound audit trail of all the transactions, PAN shall be the unique identification number for all participants transacting in the securities market, irrespective of the amount of transaction.</li> <li>• The following are exempted from the mandatory requirement of PAN: <ul style="list-style-type: none"> <li>a. Transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.</li> <li>b. Investors residing in the state of Sikkim.</li> <li>c. UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India.</li> <li>d. SIP of Mutual Funds upto ₹50,000/- per year.</li> </ul> </li> </ul> <p>B. List of Officially Valid Documents (OVDs): The aforesaid circular specifies list of documents considered as Officially Valid Documents for Proof of Identity (PoI) and Proof of Address (POA).</p> <p>C. Methods for completing KYC process and know your KYC status:</p> <p>Physical KYC process:</p> <ul style="list-style-type: none"> <li>• To bring uniformity in KYC process, SEBI has introduced a common KYC application form for all the SEBI registered intermediaries are therefore requested to use the Common KYC application form to apply for KYC and mandatorily undergo - In Person Verification (IPV) requirements. For Common KYC Application Form please visit our website <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a>.</li> </ul> <p>Digital KYC process:</p> <ul style="list-style-type: none"> <li>• The investor shall visit the <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a> of the Mutual fund and go on new investor section and fill up the required details and online KYC form and submit requisite documents. Digital KYC process will be in accordance with SEBI Master circular of KYC dated October 12, 2023.</li> </ul>
<p><b>Any other disclosures in terms of consolidated checklist on</b></p>	<p><b>Risk-o-meter</b></p> <p>The risk-o-meter of the Scheme shall be evaluated on a monthly</p>



<b>standard observations</b>	<p>basis and shall be disclosed along with portfolio disclosure on the AMC website and on AMFI website within 10 days from the close of each month.</p> <p>The risk level of Scheme as on March 31 of every year, along with number of times the risk level has changed over the year, shall be disclosed on the AMC website and AMFI website.</p> <p>The scheme wise changes in Risk-o-meter shall be disclosed in scheme wise Annual Reports and Abridged summary.</p> <p><b>Scheme Summary Document (SSD)</b></p> <p>In accordance with SEBI letter dated December 28, 2021 and AMFI emails dated March 16, 2022 and March 25, 2022, Scheme summary document for all schemes of 360 ONE Mutual Fund in the requisite format (pdf, spreadsheet and machine readable format) shall be uploaded on a monthly basis i.e. 10<sup>th</sup> to 15<sup>th</sup> of every month or within 5 working days from the date of any change or modification in the scheme information on the website of 360 ONE Mutual Fund i.e. <a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a>, AMFI i.e. <a href="http://www.amfiindia.com">www.amfiindia.com</a> and Registered Stock Exchanges i.e. National Stock Exchange of India Limited and Bombay Stock Exchanges Limited.</p>
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### III. Other Details

#### A. Periodic Disclosures such as Half yearly disclosures, half yearly results, annual report

##### Half Yearly disclosure of Scheme's Portfolio:

The Mutual Fund/AMC shall disclose portfolio of the Scheme as well as the Risk-o-meters of the scheme as on the last day of half year on website of Mutual Fund (<https://www.360.one/asset-management/mutualfund/downloads/disclosures/>) and AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each half-year respectively in a user-friendly and downloadable spreadsheet format.

##### Half Yearly disclosure of Un-Audited Financials:

The Mutual Fund and Asset Management Company shall within one month from the close of each half year (i.e. on 31st March and on 30th September) host a soft copy of the unaudited financial results of the Scheme on the website of the Mutual Fund. Also, an advertisement disclosing the hosting of the unaudited financial results of the Scheme on the website (<https://www.360.one/asset-management/mutualfund/downloads/disclosures/>) will be published, in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in language of the region where the Head Office of the Mutual Fund is situated.

## Annual Report

The scheme wise annual report and abridged summary thereof shall be hosted on the website of the Mutual Fund (<https://www.360.one/asset-management/mutualfund/>) and AMFI ([www.amfiindia.com](http://www.amfiindia.com)) not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e. 31st March each year) and link for the same will be displayed prominently on the website of the Mutual Fund (<https://www.360.one/asset-management/mutualfund/>).

- **Tracking Error:** The Fund shall disclose the tracking error based on past one year rolling data, on a daily basis, on the website of respective Mutual Fund and AMFI.
- **Tracking Difference:** The annualized difference of daily returns between the index and the NAV of the Fund shall be disclosed on the website of the Mutual Fund and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

## B. Transparency/NAV Disclosure

The NAV will be calculated by the AMC for each Business Day. The first NAV shall be calculated and declared within 5 business days from the date of allotment.

The AMC will update the NAVs on AMFI website [www.amfiindia.com](http://www.amfiindia.com) before 11.00 p.m. on every business day and also on its website (<https://www.360.one/asset-management/mutualfund/>). In case of any delay, in uploading of NAV on AMFI Website, the reasons for such delay would be explained to AMFI in writing. If the NAV is not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.

Further the Mutual Fund / 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. Also, information regarding NAVs can be obtained by the Unit holders / Investors by calling or visiting the nearest ISC.

The Mutual Fund/AMC shall disclose portfolio (along with ISIN) of the Scheme as on the last day of the month / half year on website of Mutual Fund (<https://www.360.one/asset-management/mutualfund/>) and AMFI ([www.amfiindia.com](http://www.amfiindia.com)) within 10 days from the close of each month/ half-year respectively in a user friendly and downloadable spreadsheet format.

In case of Unitholders whose e-mail addresses are registered, the Mutual Fund / AMC shall send via e-mail both the monthly and half-yearly statement of Scheme portfolio within 10 days from the close of each month/ half-year respectively.

Further, the Mutual Fund / AMC 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 ([www.iiflmf.com](http://www.iiflmf.com)) and on the website of AMFI ([www.amfiindia.com](http://www.amfiindia.com)) 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.

The Mutual Fund/ AMC shall provide a physical copy of the statement of Scheme portfolio, without charging any cost, on specific request received from a unitholder.

The AMC will make available the Annual Report of the Scheme within four months of the end of the financial year.

### **C. Transaction charges and stamp duty**

#### **- Transaction charge:**

In terms of clause 10.5 of SEBI Master Circular dated June 27, 2024, as amended from time to time, in case of purchases/subscriptions/new inflows only (lump sum and SIP), of Rs.10,000/ – and above per subscription.

#### **- Stamp Duty:**

Pursuant to Notification No. S.O. 4419(E) dated December 10, 2019, notification no. G.S.R. 19 (E) dated the January 8, 2020, Notification No. G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @ 0.005% of the transaction value would be levied on mutual fund transactions including switches(excluding redemptions), with effect from July 01, 2020.

For further details, please refer SAI.

### **D. Associate Transactions - Please refer to Statement of Additional Information (SAI).**

### **E. Taxation**

For details on taxation please refer to the clause on Taxation in the Scheme Additional Information (SAI) apart from the following:

<b>Tax*</b>	<b>Resident Investors</b>	<b>Non-resident Investors</b>	<b>Mutual Fund</b>
<b>Tax on dividend</b>	Taxable at income	20%/ Taxable at	Nil

	slab rates	income slab rates <sup>#</sup>	
<b>Capital Gains</b>			
<b><i>For units acquired prior to April 1, 2023 and sold on or before July 22, 2024:</i></b>  Long-term (held for more than 36 months):  Short-term (held for 36 months or less):	20% with indexation benefit  Taxable at income slab rates	10% without indexation benefit  Taxable @ 35% for non-resident company / @ income slab rates for other unitholders	Nil  Nil
<b><i>For (i) units acquired prior to April 1, 2023 and sold after July 22, 2024; and (ii) for units acquired on or after April 1, 2023 and sold after March 31, 2025:</i></b>  Long-term (if listed, then held for more than 12 months; and if unlisted, then held for more than 24 months):  Short-term (if listed, then held for 12 months or less; and if unlisted, then held for 24 months or less):	12.5% without indexation benefit  Taxable at income slab rates	12.5% without indexation benefit  Taxable @ 35% for non-resident company / @ income slab rates for other unitholders	Nil  Nil
<b><i>For units<sup>^</sup> acquired on or after April 1, 2023 and sold on or before March 31, 2025:</i></b>  Short-term (irrespective of period of holding)	Taxable at income slab rates	Taxable @ 35% for non-resident company / @ income slab rates	Nil

		for other unitholders	
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- 1) \*These should be increased by the surcharge as applicable and health & education cess @ 4%.
- 2) # 20% rate is applicable for (i) FPIs and (ii) units purchased in foreign currency. For other non-resident investor, such income is taxable as per applicable rate in India.
- 3) ^ Applicable to Specified Mutual Fund acquired on or after April 1, 2023. The definition of “Specified Mutual Fund” amended by Finance (No. 2) Act, 2024, with effect from April 1, 2025, to mean (a) a Mutual Fund by whatever name called, which invests more than 65% of its total proceeds in debt and money market instruments; or (b) a fund which invests 65% or more of its total proceeds in units of a fund referred to in (a). The percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.
- 4) Mutual Funds are required to deduct TDS @ 10% on IDCW payment (Above Rs 5000) for resident unitholders and @ 20% (plus applicable surcharge and cess) for non-resident unitholders. No tax shall be required to be deducted by the mutual fund on income which is in the nature of capital gain in the hands of resident unitholder and FPIs. For other non-resident unitholders, tax shall be deducted as per applicable rates. Tax treaty benefit, if any, should be provided to non-resident unitholders subject to providing certain information/documents as required (especially, tax residency certificate and Form 10F).
- 5) In certain cases, higher TDS may be applicable as per section 206AA (relating to non-filing of tax returns) and 206AB (relating to non-furnishing of PAN).

**F. RIGHTS OF UNITHOLDERS** - Please refer to SAI for details.

**G. List of official points of acceptance:** please visit <https://www.360.One/asset-management/mutualfund/downloads/information-documents/> for list of official points of acceptances.

**H. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY:**

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed. - Not Applicable
2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed:

Sr. No.	Particulars	Subject Matter/Allegations	Orders/Findings
1	SEBI issued an adjudication Show Cause Notice (SCN) dated April 16, 2021 under Rule 4 (1) of the SEBI (Procedure for Holding Inquiry and imposing penalties by Adjudicating Officer) Rules, 1995 in the matter of Alkem Laboratories Ltd. SEBI conducted an examination of block deals to check any manipulation of reference price considered for execution of block deal trades in the scrip of Alkem Laboratories Ltd during the period April 01, 2019 to September 30, 2019 to examine the violation of SEBI Act, 1992, Rules and Regulations, if any.	SEBI SCN alleged that the Company has knowingly manipulated the reference price of Alkem for block deal during the afternoon window i.e. VWAP price for the period 13:45 to 14:00 hrs on August 22, 2019 and thereby violating provision of SEBI Act, 1992 and regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market Regulations), 2003 and provisions of code of conduct prescribed under Schedule II read with Regulation 9(f) of SEBI (Stock Broker) Regulations, 1992.	<p>The Company filed a Consent Application on June 07, 2021 and revised settlement terms on October 05, 2021 with SEBI under SEBI Settlement Regulation 2018.</p> <p>On April 11, 2022, The High Powered Advisory Committee (HPAC) considering the facts and circumstances of the case, recommended that the matter may be settled upon payment of ₹3,12,64,858/- (Rupees Three Crores Twelve Lakhs Sixty-Four Thousand and Eight Hundred Fifty Eight only) as settlement amount, for 360 ONE WAM Limited (Formerly known as IIFL Wealth Management Limited).</p> <p>On May 10, 2022, The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC.</p> <p>Pursuant to this the company paid the amount on July 04, 2022 and adjudication proceedings initiated by SEBI were disposed off in terms of Section 15JB of the SEBI Act read with regulation 23(1) of the Settlement</p>

			Regulations on the basis of the settlement terms.
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3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed. - None
4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately. - None
5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed. – None

Please visit <https://www.360.One/asset-management/mutualfund/downloads/information-documents/> for most updated details of penalties, pending litigation or proceedings.

**Notes:**

The Trustees have approved this Scheme Information Document on October 18, 2024 and have ensured that the Scheme is a new product offered by 360 ONE Mutual Fund and is not a minor modification of the existing Schemes.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

**For and behalf of 360 ONE Asset Management Limited  
(Formerly known as IIFL Asset Management Limited)**

**Sd/-**

Place: Mumbai  
Date: April 04, 2025

**Chief Executive Officer**

**Where can you submit the filled up applications:**

360 ONE Mutual Fund	Registrar and Transfer Agent	CMS Collection Bankers
<p>360 one Asset Management Limited</p> <p><b>Registered Office:</b>360 ONE Centre, Kamala City, S.B. Marg, Lower Parel, Mumbai - 400 013</p> <p><a href="https://www.360.one/asset-management/mutualfund/">https://www.360.one/asset-management/mutualfund/</a></p>	<p>Computer Age Management Services Limited (CAMS)</p> <p>Registered Office: New No. 10, Old No. 178, M.G.R. Salai, Nungambakkam, Chennai - 600 034</p> <p>Contact Number: 1800 419 2267</p> <p>Email id: <a href="mailto:enq_if@camsonline.com">enq_if@camsonline.com</a> <a href="http://www.camsonline.com">www.camsonline.com</a></p>	<p>HDFC Bank Limited</p> <p>Registered Office: HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013</p> <p><a href="http://www.hdfcbank.com">www.hdfcbank.com</a> India</p>