

PPFAS Alternate Asset Managers IFSC Private Limited
CIN: U66309GJ2024PTC156345
FME RETAIL | IFSCA Registration No.: FDM2025FMR0814

VALUCATION POLICY AND PROCEDURE

PARAG PARIKH IFSC S&P 500 FUND OF FUND

SECTION V: DETERMINATION OF NET ASSET VALUE OF THE UNITS

Details of entity appointed as valuer of the Scheme.

The assets of the Scheme shall be valued by an Independent Valuer (i.e. including a fund administrator and such other person as specified by the IFSCA for carrying out the valuation of Investments).

Frequency of valuation of Investments.

The NAV of the Scheme shall be calculated and disclosed to the Investors on a daily basis (i.e. on every Business Day).

For the purpose of determining the Net Asset Value:

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the board of directors of the FME (“**Board**”) shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall have deemed to be such value as the Board shall deem to be the reasonable value thereof;
- (ii) where a forward contract has been entered into for the sale or purchase of any currency the currency required to be delivered by the Scheme shall be included in the liabilities of the Scheme and there shall be included in the assets of the Scheme the value of the currency to be received;
- (iii) any value (whether of a security or cash) otherwise than in U.S. Dollars shall be converted into U.S. Dollars at the rate (whether official or otherwise) which the Board shall in their absolute discretion deem appropriate to the circumstances having regard, inter alias, to any premium or discount which they consider may be relevant and to costs of exchange;
- (iv) the following method will be adopted to value securities:

Equity and Equity related Securities

Category	Policy
<u>Traded</u>	Foreign security shall be valued based on the last quoted closing price available on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange, i.e. the stock exchange with the highest traded volume for the security in the past calendar quarter would be considered for valuation. When a security is not traded on stock exchange on the date of valuation, then the previous closing price will be used for valuation, provided such closing price is not exceeding a period of 30 calendar days. However, in case of an extraordinary event in other markets during the market hours or post the closure of the markets but before NAV computation, the FME shall value the security at suitable fair value as determined by the Board on a case-to-case basis. Further the Board reserves right to suitably modify the defined priority or valuation methodology by documenting rationale for exception to the above defined policy.
<u>Non Traded</u>	Where the security is not traded, on the date of valuation, on any of the exchanges the last quoted closing price on the selected / primary stock exchange shall be used provided such date is not more than thirty days prior to the valuation date. Securities not traded for more than thirty days shall be valued by FME at fair value after considering relevant factors on case-to-case basis.

<u>Unlisted</u>	In case of unlisted securities, the Company may appoint an independent valuer to carry out periodic valuations as per internationally acceptable methodologies. An unlisted equity share may be valued at a price other than the value derived using the aforesaid methodology at the discretion of the Board in consultation with the FME.
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Other Securities

<u>Category</u>	<u>Policy</u>
<u>Other Securities</u>	<u>Fixed Income Securities</u> Fixed Deposits will be valued at cost plus accruals. Fixed-income securities for which market quotations are available shall be valued using such security's closing market price. Other debt and money market securities shall be valued as per the price provided by approved independent third party price providers in the respective markets. <u>Units of Mutual Funds including Exchange Traded Funds</u> Mutual Fund Units (including ETF's) listed and traded on exchanges would be valued at the last quoted closing price on the overseas stock exchange, where the security is listed on multiple exchanges, price of the primary stock exchange in the respective jurisdiction would be considered for valuation. Unlisted Mutual Fund Units and listed but not traded Mutual Fund Units (including ETF's) would be valued at the NAV as on the valuation day. In case if on any valuation day the overseas mutual fund is having a non-business day then previous day closing price / NAV would be considered for valuation <u>Exchange Traded Derivative instruments</u> Exchange traded derivatives shall be valued at the price quoted on the Stock Exchange. When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price / any other derived price provided by the respective stock exchange. <u>Forward foreign exchange contracts</u> The value of forward foreign exchange contracts which are dealt in on a Recognized Market shall be calculated by reference to the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognized Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the Board shall, in consultation with the FME, determine to be the price at which a new forward contract of the same size, currency and maturity could be effected. Forward foreign exchange which are OTC derivative contracts may be valued by reference to freely available market quotations or at any price deemed to be fit by the Board.

On valuation date, all assets and liabilities denominated in currency other than base currency of the fund shall be converted into base currency of the fund at the applicable foreign exchange rate.

Calculation of NAV

Considering that the Scheme will be primarily investing in Investee Funds, the FME will rely on the NAV disclosed by the Investee Funds to arrive at the NAV of the Scheme with necessary adjustments of the expenses, taxes and fees of the Scheme. The NAV of the Investee Funds shall be in currencies

other than USD, the applicable conversion rate shall also be used as per the Scheme's valuation policy to value the assets in USD.

The Scheme will disclose two post-tax NAVs to Investors in accordance with the Applicable Laws, as follows:

- **“Long term post-Tax NAV”:** This NAV will be computed assuming that the investment in underlying Investee Funds will be held for long-term, i.e., for a period of more than 24 months. Thus, tax rate of 12.5% (plus applicable surcharge and cess) would be used for computing Tax on unrealized capital gains in case of Long term post-Tax NAV. Tax Rate is subject to amendment in applicable tax laws from time to time.

“Short term post-Tax NAV”: This NAV will be computed assuming that the investment in underlying Investee Funds will be held for short-term, i.e., for a period of less than 24 months. Thus, tax rate of 30% (plus applicable surcharge and cess) would be used for computing Tax on unrealized capital gains in case of Short term post-Tax NAV. Tax Rate is subject to amendment in applicable tax laws from time to time.

The subscription to the Units of the Scheme after the expiry of the Initial Offer Period, including the purchase of Units and Additional Subscription will be at the Long term post-Tax NAV, while the redemption of Units of the Scheme (including compulsory redemption, transfer, transmission and switch) will be either at Long term post-Tax NAV or Short term post-Tax NAV, depending upon the period of holding of the Units of the Scheme by the Investors.

The following rules would apply in this regard:

- **Investors redeeming up to 24 months from the date of subscription of Units:** NAV on redemption will be Short term post-Tax NAV.
- **Investors redeeming post expiry of 24 months from the date of subscription of Units:** NAV on redemption will be Long term post-Tax NAV.