

## **ABAKKUS INVESTMENT MANAGERS PRIVATE LIMITED**

### **Policy On Protection Of Unit Holders<sup>1</sup>**

<b>Version</b>	<b>Owner</b>	<b>Approved by</b>	<b>Approval date</b>
<b>1.0</b>	<b>Compliance Officer</b>	<b>Board of AMC and Board of Trustee Company</b>	<b>22.07.2025</b>

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<sup>1</sup> This policy is subject to updation pursuant to subsequent internal review and inputs

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## **A. Background**

In accordance with the Securities and Exchange Board of India (SEBI) Master Circular for Mutual Funds, as outlined in SEBI Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, every Asset Management Company (AMC) is mandated to constitute a Unit Holder Protection Committee ("UHPC"). The objective of this requirement is to ensure the protection of the interests of unit holders in a fair, transparent, and effective manner.

Pursuant to the said circular, the AMC is further required to formulate and adopt an internal policy that defines the procedures, roles, responsibilities, and mechanisms for addressing and managing matters relating to the interests and rights of Unit Holders.

This Policy is intended to fulfill the regulatory obligation and to establish a structured framework to ensure robust governance and accountability in safeguarding unit holder interests.

## **B. Objective and Scope**

Abakkus Investment Managers Private Limited ("the AMC") will duly constituted a Unit Holder Protection Committee ("UHPC") and formulated Unit Holder Protection Policy in compliance with the requirements set forth under SEBI Master Circular for Mutual Funds dated June 27, 2024.

The UHPC is entrusted with the responsibility of safeguarding the interests of unit holders across all products and services offered by the AMC. The Committee shall oversee the implementation of fair, transparent, and ethical market practices; ensure compliance with applicable legal and regulatory requirements; and address grievances and concerns raised by unit holders in a timely and effective manner.

In addition to grievance redressal and regulatory compliance, the UHPC shall also be responsible for:

- Reviewing and monitoring compliance-related matters affecting unit holders,
- Ensuring that unit holders are adequately informed and educated about mutual fund products,
- Promoting awareness of the rights and responsibilities of investors, and
- Disseminating key information as mandated under the SEBI Investor Charter and other applicable frameworks.

## **C. Composition of UHPC:**

The Board of Directors of the AMC have constituted a UHPC with following members of the board:

Members:

1. Mr. Mrugank Paranjape, Independent Director
2. Dr. Nirakar Pradhan, Independent Director

3. Mr. Sunil Singhania, Associate Director

Dr. Nirakar Pradhan, Independent Director, was approved by the Board to preside over the committee meetings as Chairman.

The UHPC may, at its discretion, invite subject matter experts or representatives of unit holders to participate in meetings as invitees for deliberation on specific matters, as it may deem necessary. Such invitees shall not have voting rights in the decision-making process of the Committee.

**D. Terms of reference of UHPC:**

- 1) To review the various compliance issues relating to protection of the interests of the unit holders.
- 2) To keep the unit holders well informed of and educated about mutual fund products, investor charter and compliant handling procedures.

Unit holder complaints and redressal

- 3) Review of unit holder complaints and grievances with ageing of outstanding complaints on a periodical basis
- 4) Review of complaints / grievances handling mechanism including reported instances of mis-selling and frauds, if any.
- 5) To analyse the root cause of investor complaints, identify market conduct, issues and advise the management appropriately about rectifying systemic issues.
- 6) Review measures and steps taken to reduce unit holder complaints.

Investor education and awareness

- 7) Recommendation of policy on utilization of investor education and awareness funds
- 8) Review of various investor education and awareness steps taken by the AMC including effective utilization of investor education and awareness funds on periodic basis.

Regulatory and other functions

- 9) Ensure that the AMC adopts a standard operating procedure for its processes including timeframe for processing and confirmation of financial and non-financial transactions, treats unit holders fairly and equally and there is no preferential treatment given to different classes of investors.
- 10) Ensure compliances with applicable laws with respect to resolving, reporting and disclosures of complaints and grievances.
- 11) Review of unclaimed amounts of dividend and redemptions and measures taken by AMC to reduce the quantum of such unclaimed amounts.

- 12) Review of measures taken by AMC for exit options, voting and obtaining consents as prescribed under the Mutual Fund Regulations.
- 13) Review of transfer, transmission, and nomination process.
- 14) Review of adherence to service standards adopted with respect to various services adopted by the AMC being rendered by the RTA.
- 15) Review of measures taken for ensuring timely receipt of dividend and redemption proceeds, annual reports, and other regulatory communications/disclosures.
- 16) Ensure timeliness and adequacy of disclosures of material information to the investors.
- 17) Review other activities carried out by the AMC (under Regulation 24 (b) of MF Regulations) and its impact on the unit holders of Mutual Fund.
- 18) Ensure that all conflicts are adequately managed and/or disclosed as per the conflict-of-interest policy.
- 19) Review of all investors/scheme compensation to ensure they are fair and appropriate.
- 20) Review instances of market abuse by employees of AMC.
- 21) Review of Unitholder Protection (UP) metrics
- 22) Ensure that the AMC has approved internal policy for measurement of various parameters (such as cases of investor compensation, investor complaints, fraud incidents impacting any investor/ scheme, consistent underperformance of any scheme, number of incidents where the agreed Turn Around Time (TAT) has exceeded with respect to investor related transactions such as redemptions/ redressal of investor complaints/ non-financial transactions, etc., system issues/ incidents/ BCP events impacting investors, data privacy / cyber security incidents impacting investors) through appropriate UP metrics. The UP metrics should be approved by the Committee, along with the targeted level / benchmark for each parameter, where possible.
- 23) Put in place a mechanism for reporting of the UP metrics to the Committee.
- 24) Review the reports generated with respect to the UP metrics at least once in a half year.
- 25) In addition to the above functions and responsibilities, the board of directors of AMCs, from time to time may also assign such other responsibilities to the UHPC, as deemed fit.

#### **E. Unitholder Protection (UP) metrics**

The Committee shall be responsible for the approval and oversight of Unit Holder Protection (UP) metrics, which serve as key indicators to monitor and evaluate the AMC's performance in safeguarding unit holder interests.

- The UHPC shall approve the UP metrics and may revise them from time to time based on regulatory changes, industry best practices, or internal performance assessments.
- The UHPC shall put in place a mechanism for reporting of the UP metrics.
- The Committee shall review reports generated in relation to the UP metrics at least once every six months, to assess trends, identify areas of concern, and recommend corrective or enhancement measures as deemed appropriate.
- The current UP metrics, as approved by the UHPC, are set forth in **Annexure 1** of this Policy.

#### **F. Reporting**

The AMC shall ensure that the agenda for each UHPC meeting is presented in advance to all Committee members. This shall include, but not be limited to, reports on findings, observations, and recommendations related to the protection of unit holders' interests arising from internal audits, regulatory reviews, inspections, or assessments conducted by the AMC or its internal auditors.

The UHPC shall report to the Board of Directors of the AMC on the proceedings and key outcomes of its meetings with recommendations for action. In addition, the minutes of each UHPC meeting shall be formally placed before the Board of Directors of the Trustee Company for their information and appropriate action, if required.

#### **G. Review**

This Policy shall be reviewed at least once annually or more frequently, if required, to ensure its continued relevance, effectiveness, and alignment with applicable regulatory requirements, industry best practices, and the evolving needs of unit holders. Any amendments to the Policy shall be subject to the approval of the Board of Directors of the AMC.

## Annexure 1

### Unitholder Protection (UP) Metrics

This matrix includes descriptions, measurement techniques, threshold levels, action plans, and responsible parties for each parameter as mentioned below.

#### 1. Investor Compensation Cases

**Description:** This pertains to situations where investors are compensated for losses due to operational or systemic errors.

**Measurement Technique:** Track the number and monetary value of compensation cases.

**Threshold Levels:**

Low: 0-5 cases per quarter

Medium: 6-15 cases per quarter

High: >15 cases per quarter

**Action Plan:** Review and enhance operational protocols; increase investor communication.

Responsible Parties: Customer Service Team, Compliance Department, Operations Department.

#### 2. Investor Complaints

**Description:** Monitoring and resolution of complaints from investors.

**Measurement Technique:** Number of complaints, resolution time, and recurrence rate.

**Threshold Levels:**

Low: <10 complaints per month, >90% resolved within TAT

Medium: 11-30 complaints per month, 70-89% resolved within TAT

High: >30 complaints per month, <70% resolved within TAT

**Action Plan:** Implementing enhanced customer service training and review of processes.

Responsible Parties: Investor Relations Team, Compliance Officer.

### **3. Fraud Incidents**

**Description:** Incidents of fraud affecting investors or schemes.

**Measurement Technique:** Frequency and financial impact of fraud incidents.

**Threshold Levels:**

Low: No incidents

Medium: 1-2 minor incidents per year

High: >2 incidents or any major incident

**Action Plan:** Strengthen security measures, conduct audits, and enhance surveillance.

Responsible Parties: Risk Management Team, Internal Audit.

### **4. Consistent Underperformance of a Scheme**

**Description:** This refers to schemes that consistently underperform against benchmarks.

**Measurement Technique:** Performance comparison with benchmarks over time.

**Threshold Levels:**

Low: Performance within 5% of the benchmark

Medium: Performance 5-10% below benchmark

High: Performance >10% below benchmark

**Action Plan:** Portfolio review, strategy reassessment.

Responsible Parties: Fund Managers, Investment Committee.

### **5. Exceeding Agreed TAT**

**Description:** Delays in investor-related transactions exceeding the agreed TAT.

**Measurement Technique:** Frequency and extent of TAT breaches.

**Threshold Levels:**

Low: <5% of transactions exceed TAT

Medium: 5-15% of transactions exceed TAT

High: >15% of transactions exceed TAT

**Action Plan:** Process optimization, staff training.

**Responsible Parties:** Operations Manager, Customer Service Team.

## **6. System Issues/BCP Events**

**Description:** System failures or Business Continuity Planning (BCP) events impacting investors.

**Measurement Technique:** Number and severity of incidents.

**Threshold Levels:**

Low: Minor incidents with no investor impact

Medium: Moderate incidents with limited impact

High: Major incidents affecting multiple investors

**Action Plan:** Immediate incident response, system upgrades, regular BCP drills.

**Responsible Parties:** IT Department, BCP Coordinator.

## **7. Data Privacy/Cybersecurity Incidents**

**Description:** Breaches or threats to data privacy and cybersecurity.

**Measurement Technique:** Incident frequency and data sensitivity involved.

**Threshold Levels:**

Low: Low-risk incidents, no sensitive data involved

Medium: Medium-risk incidents, some sensitive data involved

High: High-risk incidents, significant sensitive data breaches

**Action Plan:** Strengthen cybersecurity measures, regular audits, and employee training.

**Responsible Parties:** IT Security Team, Data Protection Officer.