

# Sykes & Ray Equities (I) Ltd

## PMS POLICY

### Purpose of the policy:

The policy defines the specific activities, role and responsibilities of various teams engaged in the Portfolio Management Activities with regard to management of client funds and securities including the order placement, execution of order, trade allocation amongst clients and other related matters

### POLICY ON ROLE, ACTIVITIES AND RESPONSIBILITIES OF VARIOUS TEAMS

#### I. Fund Management Team

**Role:**

The fund management team will be in charge of managing and investing the funds received by the portfolio manager in accordance with the investment approach opted for and as per the specific terms and conditions of the client agreement.

| Sr.  | Activity   | Responsibility   |
|------|--|--|
| i)   | To keep a track of funds received on new account opening, through SIP or adhoc from clients and plan for its deployment as per the policies framed for deployment of funds.              | Timely recording of the funds.   |
| ii)  | To monitor of overall investment portfolio of the various investment approaches as well as the individual client portfolio.  | To conduct the activity based on the rules framed for specific investment approach.  |
| iii) | To prepare from time to time performance report of the investment strategies as well as of the individual client portfolios in co-ordination with fund accounting team of the custodian. | To ensure that the reports are accurate and are prepared in accordance with the timeline prescribed under the regulations. |
| iv)  | To transfer of clients' securities and for claiming and receiving of dividends, interest payments and other rights accruing to the client.   | To take adequate steps for such transfer and timely recording of the income.   |
| v)   | To look after the pay-out requests received from client.   | To take adequate steps to initiate pay-out in a timely manner and ensure that the minimum investment of the                |

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|       |  | portfolio investment criteria is met after such pay-out.   |
| vi)   | To review and rebalance portfolios   | Monitor the individual client portfolios on a regular basis  |
| vii)  | In case of non-discretionary services clients, the funds management team will manage the funds based on the specific request of the client received in writing from the client or his authorised person. | To execute orders for purchase or sell of securities only on receipt of written instructions from the client.  |
| viii) | On closure request of a portfolio account to liquidate the securities in such portfolio and arrange for pay-out or arrange for transfer of the securities as per the instructions of the client.         | To ensure that the client request for liquidation or transfer of securities is adhered to in a timely manner after deduction of various charges and fees payable by the client.  |
| ix)   | To prepare trade execution file  | To prepare single or multiple trade execution files based on trades to be executed for various clients.<br>To ensure that value of trade is within available clear funds.<br>To ensure that clients' requirement of negative list of securities or sectors is complied with. |

## II. Dealing Team

### Role:

The dealing team shall execute the trades given by the fund management team.

| Sr. | Activity          | Responsibility   |
|-----|-------------------|--|
| i)  | To execute trades | To execute trades received via email from fund management team accurately.<br>To intimate on immediate basis any error occurred while executing trade.<br>To provide trade confirmation to fund management team. |

## III. Compliance Team

**Role:** To comply with provisions of SEBI (Portfolio Managers) Regulations, 2020 and circulars issued thereunder.

| Sr. | Activity  | Responsibility   |
|-----|---|--|
| i)  | To be updated with the recent most regulations and any circulars issued thereunder. | To comply with provisions of with provisions of SEBI (Portfolio Managers) Regulations, 2020 and circulars issued thereunder on a timely manner |

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| ii)  | To provide various reports to clients                                       | To prepare and furnish various reports to the client on a timely manner.   |
| iii) | To get the client accounts audited from an independent Chartered Accountant | To draw accounts for each client and get them audited within the stipulated time as per regulations.   |
| iv)  | To submit monthly and half yearly reports                                   | To prepare and submit monthly and half yearly reports to SEBI as per the regulations.  |
| v)   | To prepare and submit Disclosure Document                                   | To prepare and submit to SEBI the Disclosure Documents as per the requirement of regulations.<br>To ensure that the Disclosure Document is available for download on the website of the portfolio manager. |

#### IV. Risk Management Team

**Role:** To manage the risk in relation to the execution of the orders placed.

The Risk Management team shall work at two levels

##### **1) Before forwarding Trade Execution file to the dealing team**

| Sr. | Activity  | Responsibility   |
|-----|---|--|
| i)  | To overview the trade execution files created by the fund management team | To ensure that the overall exposure in terms of the trade execution file is within available clear balances in the fund. |

##### **2) On punching of order by the Dealing Team**

| Sr.  | Activity   | Responsibility   |
|------|--|--|
| i)   | To monitor on real time basis trades given for execution by the dealing team | To ensure that the trades are in order and are within limits of available clear funds. Based on the average price volume of trades, monitor that any given trade is not a freak trade. |
| ii)  | To analyse price volume of trades given over a period of time                |  |
| iii) | To identify, block and report any freak trades                               |  |

#### V. Back Office Team

| Sr. | Activity | Responsibility |
|-----|----------|----------------|
|-----|----------|----------------|

|      |   |  |
|------|---|--|
| i)   | To co-ordinate with various teams at the Custodian  | To ensure smooth liaison with various teams at custodian   |
| ii)  | To prepare and submit trade allocation to the custodian   | To ensure that there are no discrepancies in the trade confirmation and contract note and that the trade allocation file corresponds to the intended trade allocation at the time of trade execution.<br>That all the trades executed during the day are allocated and no trade remains open |
| iii) | To correspond with clients for their routine queries and direct specific queries to the respective teams. | To ensure that the client queries are resolved in timely manner.   |

## POLICY ON ORDER PLACEMENT, EXECUTION AND TRADE ALLOCATION AMONGST CLIENTS

### A. Policy for Order Placement

- 1) The order for each client shall be placed within the limits of the available clear balance in his respective portfolio.
- 2) The amount/ quantities of the order for each client shall be determined at the time preparation of trade execution file.
- 3) The trade execution file can be prepared either client-wise or aggregated for few/ all clients based on the situation.
- 4) However, all the orders shall be placed under CP Code of the strategy related to the client **except**
  - i) For the NRE client where the order shall always be placed in the respective CP code of the NRE client.
  - ii) For clients belonging to the non-discretionary PMS category where the orders shall be placed in respective CP of the client.

### B. Policy on Trade Allocation

- 1) The trade allocation shall be as per trade execution file prepared considering the quantum of order placed for each client. There shall not be any deviation in allotment of securities from the intended quantum of order determined at the time of order placement.
- 2) However, in following situations the deviation from the allotment of securities as intended at the time of placement of order shall be permitted:
  - i) **Where the order so placed for more than one client and order for some of the securities could not be executed completely.**  
In this case the trade allocation for the securities shall either be made on a pro rata basis or be allocated to only few clients based on the situation
  - ii) **Where the order so placed for only one client and order for some of the securities could not be executed completely.**

In this case the trade allocation for the securities shall either be made as per the actual execution of the order.

- C. There shall not be placed any margins / collaterals in order to execute transactions.
- D. Deviations as described in terms of Point 2 above, shall be on account of exigency only and require prior written approval of the Principal Officer and Compliance officer with a detailed rationale for such deviation.

Above policy is in accordance to SEBI Rules, Regulations, Guidelines and Circulars for PMS operations and is subject to change as and when required under SEBI Rules, Regulations, Guidelines and Circulars from time to time.

**Sykes & Ray Equities (I) Ltd.**