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CIN: U93000MH2012PTC225932

November 30, 2023

To,
Investment Management Department,
Securities and Exchange Board of India,
SEBI Bhavan BKC,
Plot no. C4-A, "G" Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai - 400 051.

Kind Attn: Mr. Sanjay Singh Bhati, DGM

Dear Sir,

Sub: Request for informal guidance by way of an interpretative letter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003, in connection to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 for making investment in Exchange Traded Funds by a Category III Alternative Investment Funds.

Ref: ASK Wealth Advisors Private Limited (ASKWA) letter dated September 10, 2023.

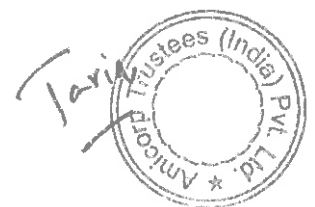
Amicorp Trustees (India) Private Limited being the Trustee to ASKWA seek for your guidance in reference to the captioned subject and letter submitted by ASKWA dated September 10, 2023.

1. Background

- 1.1 ASK Wealth Advisors Private Limited ('ASKWA' or 'Company') is engaged in the business of providing discretionary portfolio management and investment advisory services to domestic and foreign clients.
- 1.2 ASKWA is registered as an investment adviser with the Securities and Exchange Board of India ('SEBI') under the SEBI (Investment Advisers) Regulations, 2013, as well as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 2020. It is also registered as a mutual fund distributor with the Association of Mutual Funds in India. It has also obtained a registration as a corporate agent with the Insurance Regulatory and Development Authority.
- 1.3 ASKWA acts as the investment manager and sponsor to a Category III Alternative Investment Fund ('AIF') set up in India, viz., ASKWA Multi Opportunities Fund ('Trust'), registered with SEBI under the SEBI (AIF) Regulations, 2012 ('AIF Regulations'), having registration number *IN/AIF3/20-21/0829* dated *Oct 07, 2020*. The Trust is settled as a determinate and an irrevocable trust under the provisions of the Indian Trusts Act, 1882.



- 1.4 The Trust has launched a scheme viz. ASKWA Growth Opportunities Fund - Series A ('Fund'). The Fund currently makes investment in equity shares listed on the recognised stock exchange(s) in India.
- 1.5 The Fund is proposing to make investment in the units of exchange traded fund ('ETF') in India.
- 2. Investment in the units of ETF by the Fund**
- 2.1 The expression 'exchange traded fund' is defined under regulation 2(1)(jb) of the SEBI (Mutual Funds) Regulations, 1996 ('Mutual Fund Regulations'), to mean a mutual fund scheme that invests in securities in the same proportion as an index of securities and the units of exchange traded fund are mandatorily listed and traded on exchange platform.
- 2.2 Regulation 18(a) of the AIF Regulations *inter alia* provides that Category III AIFs may invest in securities of listed investee companies.
- 2.3 Based on the combined reading of the definition of ETF under regulation 2(1)(jb) of the Mutual Fund Regulations and the provisions of regulation 18(a) of the AIF Regulations, the Category III AIF should be permissible to invest in the units of ETF as these units are mandatorily required to be listed and traded on exchange platform.
- 2.4 Further, clause (f) of regulation 15(1) of the AIF Regulations provides that un-invested portion of the investable funds and divestment proceeds pending distribution to investors may be *inter alia* invested in liquid mutual funds till the deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents.
- 2.5 The provisions of regulations 15(1)(f) provides that the Category III AIF can invest the un-invested portion of investable funds and divestment proceeds in units of liquid mutual funds for a temporary period of time and to earn passive income till the deployment of such funds as per the investment objective of such AIF.
- 2.6 However, AIF Regulations do not specify whether the Category III AIF can actively adopt a strategy for making investments in units of ETF and earn income by trading such units on the recognised stock exchange(s) in India.
- 2.7 The Fund is proposing to adopt a strategy to invest monies raised from its investors in the units of ETF on a regular basis for earning income and not to make investment for a temporary period of time. Accordingly, the provisions of regulations 15(1)(f) of the AIF Regulations should not be applicable.
- 3. Request for Interpretative Letter**
- 3.1 In light of the submission made in the brief and the relevant regulations cited above, we request to issue an informal guidance by way of an interpretative letter under paragraph 5(ii) of the SEBI (Informal Guidance) Scheme, 2003 ('Informal Guidance Scheme'), in respect of permissibility to make investments in the units of ETF for earning regular income by the Fund.



4. Compliance with paragraph 6 of the Informal Guidance Scheme

In accordance with paragraph 6 of the Informal Guidance Scheme, the payment of the requisite fees of ₹NR 29,500 (Rupees Twenty-Nine Thousand Five Hundred Only) inclusive of GST has been made via online payment gateway (ICICI Portal) with the Tracking ID 113039741008 (Annexure A – payment confirm).


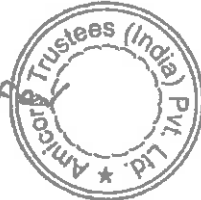
Further, per the provisions of paragraph 11 of the Informal Guidance Scheme, we request you to provide our application a confidential treatment for a period of 90 days from the date of SEBI's response.

We request you to contact Mr Amit Gupta at agupta@askinvestmentmanagers.com /+91 9892260510 or Mr. Nipun Doshi at nipun.doshi@askwealthadvisors.com / +91 9594067939 if you have any questions or require any clarifications with respect to this application or require any further information/ details. We would be pleased to furnish such information/ details as you may seek for from time to time.

We request you to kindly take the above on record and oblige.

Thank You.

Yours sincerely,
For Amicorp (India) Trustee Private Limited



Tariq Aboobaker
Managing Director

Place: Mumbai

Encl: 1. ASKWA letter
2. Payment details

10 September, 2023

To,

Investment Management Department,
Securities and Exchange Board of India,
SEBI Bhavan BKC, Plot no. C4-A, "G" Block,
Bandra-Kurla Complex, Bandra East,
Mumbai - 400 051.

Kind Attn: Mr. Sanjay Singh Bhati, DGM

Respected Sir,

Sub: Request for informal guidance by way of an Interpretative letter under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003, in connection to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 for making investment in Exchange Traded Funds by a Category III Alternative Investment Funds

1. Background

1.1 ASK Wealth Advisors Private Limited ('ASKWA' or 'Company') is engaged in the business of providing discretionary portfolio management and investment advisory services to domestic and foreign clients.

1.2 ASKWA is registered as an investment adviser with the Securities and Exchange Board of India ('SEBI') under the SEBI (Investment Advisers) Regulations, 2013, as well as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 2020. It is also registered as a mutual fund distributor with the Association of Mutual Funds in India. It has also obtained a registration as a corporate agent with the Insurance Regulatory and Development Authority.

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ASK Wealth Advisors Private Limited

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- 1.4 The Trust has launched a scheme viz. ASKWA Growth Opportunities Fund - Series A ('Fund'). The Fund currently makes investment in equity shares listed on the recognised stock exchange(s) in India.
- 1.5 The Fund is proposing to make investment in the units of exchange traded fund ('ETF') in India.
- 2. Investment in the units of ETF by the Fund**
- 2.1 The expression 'exchange traded fund' is defined under regulation 2(1)(jb) of the SEBI (Mutual Funds) Regulations, 1996 ('Mutual Fund Regulations'), to mean a mutual fund scheme that invests in securities in the same proportion as an index of securities and the units of exchange traded fund are mandatorily listed and traded on exchange platform.
- 2.2 Regulation 18(a) of the AIF Regulations *inter alia* provides that Category III AIFs may invest in securities of listed investee companies.
- 2.3 Based on the combined reading of the definition of ETF under regulation 2(1)(jb) of the Mutual Fund Regulations and the provisions of regulation 18(a) of the AIF Regulations, the Category III AIF should be permissible to invest in the units of ETF as these units are mandatorily required to be listed and traded on exchange platform.
- 2.4 Further, clause (f) of regulation 15(1) of the AIF Regulations provides that un-invested portion of the investable funds and divestment proceeds pending distribution to investors may be *inter alia* invested in liquid mutual funds till the deployment of funds as per the investment objective or the distribution of the funds to investors as per the terms of the fund documents.
- 2.5 The provisions of regulations 15(1)(f) provides that the Category III AIF can invest the un-invested portion of investable funds and divestment proceeds in units of liquid mutual funds for a temporary period of time and to earn passive income till the deployment of such funds as per the investment objective of such AIF.
- 2.6 However, AIF Regulations do not specify whether the Category III AIF can actively adopt a strategy for making investments in units of ETF and earn income by trading such units on the recognised stock exchange(s) in India.



2.7 The Fund is proposing to adopt a strategy to invest monies raised from its investors in the units of ETF on a regular basis for earning income and not to make investment for a temporary period of time. Accordingly, the provisions of regulations 15(1)(f) of the AIF Regulations should not be applicable.

3. Request for Interpretative Letter

3.1 In light of the submission made in the brief and the relevant regulations cited above, we request to issue an informal guidance by way of an interpretative letter under paragraph 5(ii) of the SEBI (Informal Guidance) Scheme, 2003 ('Informal Guidance Scheme'), in respect of permissibility to make investments in the units of ETF for earning regular income by the Fund.

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In accordance with paragraph 6 of the Informal Guidance Scheme, the payment of the requisite fees of INR 29,500 (Rupees Twenty-Nine Thousand Five Hundred Only) inclusive of GST has been made via online payment gateway (ICICI Portal) with the Receipt- 113039741008 (Annexure A – payment confirm).

Further, per the provisions of paragraph 11 of the Informal Guidance Scheme, we request you to provide our application a confidential treatment for a period of 90 days from the date of SEBI's response.

We request you to contact Mr Amit Gupta at agupta@askinvestmentmanagers.com /+91 9892260510 or Mr. Nipun Doshi at nipun.doshi@askwealthadvisors.com / +91 9594067939 if you have any questions or require any clarifications with respect to this application or require any further information/ details. We would be pleased to furnish such information/ details as you may seek for from time to time.

We request you to kindly take the above on record and oblige.

Thank You.

Yours sincerely,

For ASK Wealth Advisors Private Limited



Name of the Authorised signatory: Amit Gupta

Designation: Group Compliance Officer

Place: Mumbai

Enclosure : Annexure A- SEBI fee acknowledgment