



# ASIAN MARKETS — SECURITIES —

## Portfolio Management Service

Roles,  
responsibilities,  
and activities  
Policy Document

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## Table of Contents

1. Background.....	4
2. Roles, responsibilities and activities Investment Management Team.....	4
3. Dealing Team .....	5
4. Compliance .....	6
5. Operations .....	6



## 1. Background

SEBI has vide its circular SEBI/HO/IMD/IMD-I DOF1/P/CIR/2022/133 dated September 30, 2022 mandated portfolio managers to put in place a policy outlining the roles, responsibilities and activities of various teams in fund management, dealing, compliance, risk management, and back office, with regard to management of client funds and securities including order placement, execution of order, trade allocation amongst clients, and other related matters. As a licensed portfolio manager, we are required to maintain a policy as outlined above. This policy document covers the above aspects and shall be effective from the date of approval by the Board of the Company.

This policy shall be reviewed annually. In case of amendments to the policy consequent to regulatory or event-based changes, the same may be approved by the Compliance Officer and CEO. These amendments may be ratified by the Board of the Company at its subsequent meeting.

## 2. Roles, Responsibilities and Activities

Investment Management	
<b>Role:</b>	The investment management team’s role is to manage portfolios in accordance with the investment approach as described in the disclosure document and the portfolio management agreement signed with the client.
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>a) Maintain a broader investment framework for each strategy within an investment approach</li> <li>b) Generate investment ideas and make recommendations to the fund manager</li> <li>c) Monitor all investments on an ongoing basis.</li> <li>d) Ensure redemptions are met within specified time-lines</li> <li>e) Maintain supporting rationales for all investment decisions</li> <li>f) Track deviations from model portfolio, wherever applicable</li> <li>g) Be available to conduct portfolio reviews at reasonable intervals</li> <li>h) Maintain client confidentiality</li> <li>i) Ensure periodic reviews of the performance are conducted within the team as well as the Investment Committee</li> </ul> <p><b>Manager:</b> In addition to the above, it is the responsibility of the portfolio/fund manager to</p> <ul style="list-style-type: none"> <li>j) Make investment decisions in good faith</li> <li>k) Ensure that the exception approval matrix is followed and record all exceptions (including for future retrieval)</li> </ul>



	<ul style="list-style-type: none"> <li>l) Ensure that all client restrictions are taken into account while managing portfolios</li> <li>m) In case of non-discretionary portfolios, the portfolio manager should ensure that the investment rationale is provided to the client and client consent is appropriately recorded</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>a) Review investible universe of instruments periodically</li> <li>b) Analyze at least the key fundamentals and/or technical factors that have the potential of influencing price performance of holdings</li> <li>c) Create rationale notes/trade tickets for investment decisions</li> <li>d) Track deviations from the model portfolio at least on a weekly basis and attempt convergence over a reasonable time frame</li> </ul>
<b>Dealing team:</b>	
<b>Role:</b>	To liaise with the fund manager and various brokers for execution of trades for various portfolios. At the dealing team also undertakes dealing related operations and the activities for the same are covered below.
<b>Responsibilities:</b>	To ensure that orders are generated in an efficient manner and trade allocation across clients is done fairly without preferential treatment to any client.
<b>Activities:</b>	<ul style="list-style-type: none"> <li>a) Upon receipt of trade ticket from the portfolio manager, generate an order file after checking availability of cash in case of purchases and stock in case of sale transaction.</li> <li>b) Wherever, there is a shortfall of stock/cash, the dealing team is expected to inform the fund manager within reasonable time. This will help the fund manager minimize deviation in case of model portfolio oriented strategies. This also serves as a risk management tool for managing performance across clients in such strategies.</li> <li>c) Communicate orders to various brokers as per the generated order</li> <li>d) Liaise with the portfolio manager closely in case of higher price volatility</li> <li>e) Track execution of placed orders</li> <li>f) Ensure any deviations to the proportion is done based on exception approval from the fund manager and the same is reported on a periodic basis to the Chief Investment Officer/ Principal Officer/ Head of Products and Solutions, as specified from time to time.</li> </ul>



	<ul style="list-style-type: none"> <li>g) Keep portfolio managers informed of all model portfolio</li> <li>h) deviations including cash holding periodically.</li> <li>i) Ensure orders for non-discretionary portfolios are placed only if the client has instructed or consented for the same.</li> <li>j) Record all exceptions and report the same on a periodic basis to the Chief Investment Officer/ Principal Officer/ Head of Products and Solutions/ Investment Committee</li> </ul>
<b>Compliance team:</b>	
Role and responsibilities:	Ensure that each team complies with the internal policies, SEBI circulars and any amendment to the applicable regulations.
Activities:	<ul style="list-style-type: none"> <li>a) Ensure the processes and policies are reviewed regularly to reflect extant regulations and guidelines</li> <li>b) Ensure internal controls are designed in a manner to promote fair treatment of clients</li> <li>c) Guide various functions to remediate any breaches and update policies and control to prevent repeat of such breaches. In case of regulatory breach ensure appropriate reporting/escalation and update policies so as to prevent repeat incidents</li> <li>d) Ensure trainings are conducted to familiarize various teams of the regulatory requirements</li> <li>e) Ensure that the respective team members meet the mandated qualifications at all times</li> <li>f) Regulatory reporting in a timely manner</li> </ul>
<b>Operations</b>	
Role and responsibilities	<p>To process all client capital flows in an accurate and timely manner</p> <p>To liaise with the custodian to ensure proper settlement of trades</p>
Activities	<ul style="list-style-type: none"> <li>a) Inform capital inflows (securities/cash) to the portfolio manager in a timely manner for effective deployment. Similarly, inform portfolio manager of all redemption requests in a timely manner for enabling an efficient sale of securities</li> <li>b) Record all client-imposed restrictions appropriately in Wealth Spectrum</li> <li>c) Ensure available quantities of securities and cash is accurately maintained in Wealth spectrum</li> <li>d) Reconcile executed trades for quantity and price as communicated and reported by the broker and the custodian</li> <li>e) Ensure trade allocation is in proportion as per generated order file. Since each strategy has a different UCC, trade allocation</li> </ul>



	<p>should be done based on execution in a given UCC. Cross allocation for UCCs is not permitted.</p> <p>f) We deploys bot processes to manage trade allocation post execution. The back office team ensures the final allocation is uploaded in the custodian's portal for further client level allocation</p>
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**Risk Management**

Aspects of risk management are integrated in our core processes and there are various checks and balances to ensure that investments are made in line with the investment approach and framework, trade allocation is done fairly and as intended at the time of order execution. Wealth doesn't have a separate risk management team for its portfolio management division.