

BugleRock

(Formerly known as **o3 Securities Private Limited**)

BugleRock Capital Private Limited

(Portfolio Manager)

VALUATION POLICY

DOCUMENT RELEASE NOTICE

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VALUATION POLICY

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1

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1. Introduction

Buglerock Capital Private Limited (Formerly known as o3 Securities Private Limited) (The Company) is a SEBI registered Portfolio Manager having SEBI registration no INP000005430. Further, the company also under its AMFI registration acts as a Distributor to Mutual Funds and other third-party products.

SEBI regulations, which primarily govern the company, expect that the client be provided accurate valuations of the investments held or facilitated by Buglerock Capital Private Limited.

Key extracts from current regulations applicable to AWMPL are reproduced as **Annexure I**.

From a regulatory parlance it is important that valuation of portfolio of the clients is done accurately in order to project a realistic view of the securities held in the account by the client.

This policy lays down the broad principles and process of determining how much a security/asset is worth for a client. The company shall keep and maintain proper books of accounts, records and documents, for each Client so as to explain transactions for each Client and in particular to give a true and fair view of the state of affairs of the Portfolio of each Client.

In the above backdrop, the company is required to send out a consolidated report to its clients for them to get a complete view of their portfolio with Buglerock Capital Private Limited.

2. Applicability

This policy governs the valuation of securities / investment products held by the clients under different accounts including portfolio management services, execution and advisory. For in-house portfolio management services in addition to this policy the Disclosure Document, will govern, respectively.

3. STATUTORY MANDATE

This framework is established pursuant to the requirements set forth in SEBI Master Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated June 07, 2023 covering valuation on money market and debt securities.

4. Asset Class & Valuation Methodology

The valuation methodology for different asset classes would be as stated under:

SR.NO	ASSET CLASS/ TYPE	METHOD
1.	EQUITY (LISTED/UNLISTED)	a) Where the Security (equity and equity related instrument) is traded on NSE the day's closing price on NSE will be considered for valuing Securities. If it is not traded on NSE, then the day's closing price on BSE will be considered. If the Security is not traded on either exchange on that day, then the last traded price will be considered. However, if the Security is not traded for 30 days preceding the valuation date, then the Security shall be treated as non-traded security and valued at last traded price available. Purchase and sale transactions shall be recognized on the trade date and not as of the settlement date, so that all the investments made during a period are recorded and reflected in the same period. Unlisted Securities/investments will be valued at cost or last round valuation (which is provided by the Company), whichever is latest. b) Dividend income shall be tracked from the date of declaration and recognized on the date of the security being quoted on an ex dividend basis. For unlisted investments, dividend income would be recognized on the date of receipt. c) Bonus units shall be tracked from the date of declaration and recognized on the date of the Security being quoted on an ex-bonus basis. For unlisted investments, bonus units would be recognized on the date of receipt. d) Rights units shall be recognized in the client's portfolio post receipt of securities allotment from the company.
2	MUTUAL FUNDS	a) The previous day's scheme NAVs or latest NAVs declared by Mutual Funds [as per The Association of Mutual Funds in India (AMFI) website] / subscription feeds for NAV from vendors will be used to value Mutual Fund investments. b) ETFs shall be valued at closing prices available on the stock exchange. If the said prices are not available, the latest NAV of the Fund will be considered.
3	FIXED INCOME /DEBT/BONDS/ STRUCTURED PRODUCTS/MLD	Investment Grade Bonds: All types of G-Sec, SDL, T-Bill, CP, CD, Corporate Bonds, Tax Free, Taxable Bonds, Preference Shares and Perpetual Bonds will be valued by CRISIL on all working days based on the methodology as detailed in their service contract / presentation. Sub-Investment grade Bonds: Sub-investment grade securities would be valued by CRISIL on "benchmark-based approach" that is currently used by Asset Management Companies (AMCs). Overdue course, this would shift to Loss Given Default (LGD) framework for which a separate commercial contract will be mutually agreed and signed. Structured Products / Market Linked Debentures (MLD): MLD prices will be sourced from the publicly available value of the securities as published by third party valuer or issuer on their respective websites. The prices would be updated at a frequency of once a calendar week.
4	THIRD PARTY PRODUCTS	As per valuation provided by the manufacturer. If none available, to be stated at cost.

NOTES:

- a) First in First Out (FIFO) method shall be followed to determine the holding cost of investments and profit/ loss on sale of investments.
- b) Where any income receivable on investments has accrued and is due but not received for a period of greater than 6 months adequate provisions shall be made.
- c) The cost of investments acquired and/or purchased shall include all such costs incurred for effecting such acquisition/purchase. In respect of privately placed Securities, any front-end discount offered shall be reduced from the cost of investment.

5. Benchmark

The benchmark for client's reporting is selected based on asset class of the underlying product. For discretionary portfolio management strategies managed by Buglerock Capital Private Limited, benchmark mapping would be done based on information provided by the respective Fund Manager of the said strategy. Changes if any in the benchmarks, should be adequately recorded and justified with specific reasons thereof by the Fund Manager.

Further, the following benchmarks shall be applicable for other than Buglerock Capital Private Limited inhouse strategies as decided by the Head of Products/CEO and changes if any, should be adequately justified with specific reasons.

Asset class \Subclass	Equity	Debt	Balance	Cash	Alternate Asset
Equity	Nifty				
Mutual fund	Nifty	CRISIL short Term Index	Crisil Balance Fund Index	Crisil liquid Index	
Mutual fund	Benchmark index is mapped based on mutual fund scheme classification				
Managed Product	Nifty	CRISIL short Term Index	Crisil Balance Fund Index	Crisil liquid Index	Nifty
Debt		CRISIL short Term Index			

6. Performance Disclosures

Performance returns would be indicated in all client facing documents including collaterals/ marketing materials on an XIRR basis unless otherwise stated in the specific Regulations. Further, all performance would be stated net of expenses & fees and on a pre/post-tax basis as per NAV information received from the fund houses/ other third-party manufacturers.

7. Disclosure of Valuation Methodology

A disclosure of the Valuation methodology shall be made to the clients in a suitable form including through the account statements going to the clients periodically. Further, adequate disclaimers should be added in the account statements going to the clients duly approved by Compliance, Risk and Legal team.

8. Exception Process

- a) Valuation of any security or investment product under force majeure events and considering extraneous events would be done on the basis of the methodology approved by the Investment Committee of Buglerock Capital Private Limited.
- b) Valuation done in exception of this policy of any security or investment product would need a prior approval from the CEO.

9. Collaterals

Valuations presented in any client facing document / collateral should follow the principles of the said policy unless otherwise stated in SEBI regulations.

10. Policy review:

This policy would be reviewed once every fiscal year.

ANNEXURE I

a) *SEBI (Portfolio Managers) Regulations, 1993:*

21. Reports to be furnished to the client.— (1) The portfolio manager shall furnish periodically a report to the client, as agreed in the contract, but not exceeding a period of six months 66[and as and when required by the client] and such report shall contain the following details, namely:-

- a) the composition and the value of the portfolio, description of security and goods, number of securities, value of each security held in the portfolio units of goods, value of goods, cash balance and aggregate value of the portfolio as on the date of report;
- b) transactions undertaken during the period of report including date of transaction and details of purchases and sales;
- c) beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures;
- d) expenses incurred in managing the portfolio of the client;
- e) details of risk foreseen by the portfolio manager and the risk relating to the securities recommended by the portfolio manager for investment or disinvestment.

b) *SEBI (Investment Advisers) Regulations, 2013:*

- a. An investment adviser shall make adequate disclosures of relevant material information while dealing with its clients.