

INVESTSAVVY PORTFOLIO MANAGEMENT LLP

DISCLOSURE DOCUMENT

As required under Regulation 22 of Securities and Exchange Board of India
(Portfolio Managers) Regulations, 2020

I. Declaration:

- a) The Disclosure Document (hereinafter referred as the “**Document**”) has been filed with the Securities and Exchange Board of India (“**SEBI**”) along with the certificate in the prescribed format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020 (“**Regulations**”).
- b) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging “InvestSavvy Portfolio Management LLP” (hereinafter referred as the “**Portfolio Manager**”) as the portfolio manager.
- c) The Document contains the necessary information about the Portfolio Manager required by an investor before investing and the investor may also be advised to retain the Document for future reference.
- d) The name, phone number, e-mail address of the principal officer as designated by the Portfolio Manager along with the address of the Portfolio Manager is as follows:

PRINCIPAL OFFICER	PORTFOLIO MANAGER
Name : Mr. Ashish Goel	Name: InvestSavvy Portfolio Management LLP
Phone : +91 9820261323	Registered Address: 12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai, Maharashtra 400013
E-Mail : ashish.goel@investsavvy.in	Correspondence Address: Same as registered address

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1.Disclaimer

- (a) Particulars of this Document have been prepared in accordance with the Regulations as amended till date and filed with SEBI.
- (b) This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

2. Definitions

In this Document, the following words and expressions shall have the meaning specified herein, unless the context otherwise requires:

- (a) **Agreement:** means the portfolio management services agreement entered between the Portfolio Manager and the Client/Investor, as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any.
- (b) **Applicable Laws:** means any applicable Indian statute, law, ordinance, regulation including the Regulations, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.
- (c) **Capital Contribution:** means the sum of money or Securities or combination thereof, contributed by the Client simultaneously upon execution of the Agreement or any time thereafter, subject to a minimum of INR 50,00,000 (Indian Rupees Fifty Lakhs) or such other higher amount as may be specified by the Portfolio Manager in compliance with Applicable Laws.
- (d) **Chartered Accountant:** means a Chartered Accountant as defined in clause (b) of sub-section of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act.
- (e) **Client / Investor:** means such person(s) whose money or portfolio is advised or directed or managed by Portfolio Manager and is specified in Schedule I of the Agreement.
- (f) **Custodian:** means one or more custodian appointed by the Portfolio Manager, from

time to time, for maintaining custody of funds and/or Securities of the Client.

- (g) **Disclosure Document or Document:** means this document filed by the Portfolio Manager with SEBI and issued to the Client as required under the Regulations and as may be amended by the Portfolio Manager from time to time.
- (h) **Distributor:** means a Person empaneled by the Portfolio Manager which refers clients to the Portfolio Manager in lieu of commission/charges.
- (i) **Eligible Investor:** means individuals, company, body corporate, partnership firm, association of persons, limited liability partnership, trust, hindu undivided family and such other persons as may be deemed by the Portfolio Manager, to be eligible to avail of the services of the Portfolio Manager from time to time under the PMS.
- (j) **Exit Load:** means the withdrawal charge/s payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (k) **Investment Approach:** is a broad outlay of the type of securities and permissible instruments to be invested in by the Portfolio Manager for the Client, taking into account factors specific to Clients and securities and includes any of the current investment approach or such investment approach that may be introduced by the Portfolio Manager, from time to time.
- (l) **Management Fee:** means the management fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (m) **Performance Fee:** means the performance-linked fee payable to the Portfolio Manager in accordance with the terms of the Agreement and this Document.
- (n) **Portfolio or Client Portfolio:** means the total holdings of Securities and goods belonging to the Client in accordance with the Agreement.
- (o) **“Portfolio Entity”** means companies, enterprises, bodies corporate, or any other entities in the Securities of which the monies from the Client Portfolio are invested subject to Applicable Laws.
- (p) **Portfolio Investments:** means investments in Securities of one or more Portfolio Entity/ies made by the Portfolio Manager on behalf of the Client under the PMS from time to time.
- (q) **Portfolio Manager:** means InvestSavvy Portfolio Management LLP, an LLP

incorporated under the provisions of the Limited Liability Partnership Act, 2008 and having its registered office at 12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai, Maharashtra 400013, which pursuant to a contract or arrangement with a Client/Investor, advises or directs or undertakes on behalf of the Client/Investor (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the Client/Investor, as the case may be.

- (r) **Principal Officer:** means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:
 - (i) the decisions made by the Portfolio Manager for the management or administration of Portfolio of Securities or the funds of the Client, as the case may be; and
 - (ii) all other operations of the Portfolio Manager.
- (s) **PMS:** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Agreement, this Document and subject to Applicable Laws.
- (t) **PML Laws:** means the Prevention of Money Laundering Act, 2002, Prevention of Money- laundering (Maintenance of Records) Rules, 2005, the guidelines/circulars issued by SEBI thereto as amended and modified from time to time.
- (u) **Regulations:** means the SEBI (Portfolio Managers) Regulations, 2020 as amended and modified from time to time and including any circulars/notifications issued pursuant thereto.
- (v) **Securities:** shall mean and include securities/instruments of Portfolio Entities, all marketable securities including equity shares, quasi equity shares, preference shares, debentures (whether convertible or non-convertible and whether secured or unsecured and whether listed or unlisted), convertible securities, depository receipts, bonds, secured premium notes, government securities, pass-through certificates, treasury bills, units, derivatives, equity linked products, debt, hybrid debt products, mortgage-backed securities, commercial debt papers, notes, units of a trust and any other instrument falling within the definition of 'security' under section 2(h) of the Securities Contract (Regulation) Act, 1956.
- (w) **“SEBI”** shall mean the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992.

- (x) **Term:** means the term of the Agreement as reflected in the respective Agreement entered with the Client by the Portfolio Manager.

Any term used in this Document but not defined herein (but defined in the Regulations) shall have the same meaning as assigned to them in the Regulations.

3. Description

(i) History, Present Business and Background of the Portfolio Manager

The Portfolio Manager is incorporated entity (date of incorporation: 15 September 2021) under the provisions of Limited Liability Partnership Act, 2008, having its registered office at 12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai- 400013 Maharashtra, India. It is SEBI registered portfolio manager bearing registration number INP000007395.

It seeks to provide discretionary portfolio management services, non-discretionary portfolio management services and advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates and other permissible class of investors. The Portfolio Manager has commenced the PMS operations effective from 26-04-2022.

(ii) Promoters of the Portfolio Manager, Partners and their background

1. Promoters of the Portfolio Manager

InvestSavvy Portfolio Management LLP a Limited Liability Partnership whose Promoters are Mr. Ashish Goel (Managing Partner & CEO) who have an experience of more than 25 Years in Financial Markets, Ms. Alankrita Goel (Designated Partner) who have an Experience of more than 24 Years in the area of Art and Culture and Mr. Anurag Goel (Designated Partner) who have an experience of over 50 Years as an Advisor/ Member/ Secretary/ Governance and Administration of multiple Government Entities and Universities.

(a) Mr. Ashish Goel

Ashish holds an MS in Computational Finance from Carnegie Mellon University (class topper), an MBA from IIM Calcutta (rank holder), and a B. Tech in Electrical Engineering with a minor in Computer Sciences from IIT Kanpur.

He has over 25 years of work experience in Financial Markets in India and overseas (Singapore, UK, USA) in top-tier financial institutions (Bear Stearns, Dresdner

Kleinwort Wasserstein, Safron (Hedge Fund), ICICI Bank and Standard Chartered (M.D. & Head of Macro Sales, India)).

He has always been passionate about equity markets and decided to start his own fund in April 2022. His strong academic background coupled with years of experience in Financial Markets have allowed him to develop a keen eye for stock picking and investments.

(b) Ms. Alankrita Goel

Alankrita is a graduate from Lady Shri Ram College, Delhi. She is an accomplished Artist, with decades of experience of meticulously organizing and managing large events at the national and global levels and rendering numerous performances across the world.

She has developed deep insights into how people look at life and what matters to them. Her ability to connect with individuals at a personal level, coupled with a perfectionist approach and attention to detail, has led to exceptional success in her teaching and dealing with numerous people.

Alankrita brings proven organizational skills to InvestSavvy for team building, setting up and scaling new ventures.

(c) Mr. Anurag Goel

A former civil servant, who joined IAS in 1972, and served in various key positions in Uttar Pradesh and 6 Ministries in Govt of India including Finance & Civil Aviation, before superannuating as Secretary, Corporate Affairs in 2009.

Anurag was also Member, SEBI Board (2006-09) and Member, Competition Commission of India (2009-14), apart from being on the Boards of numerous companies over a period of more than two decades.

He is leading Shaping Tomorrow Consultants LLP, a future, technology and sustainability focused entity he founded in end 2014, and has since been advising UNDP, governments, academia, industry and various other organizations.

2. Partners of the Portfolio Manager

(a) Mr. Ashish Goel

<Kindly refer to 1 (a) above.>

(b) Ms. Alankrita Goel

<Kindly refer to 1 (b) above.>

(c) Mr. Anurag Goel

<Kindly refer to 1 (c) above.>

(iii) Key Personnel of Portfolio Manager and their background

(a) Mr. Ashish Goel

<Kindly refer to 1 (a) above.>

(b) Ms. Alankrita Goel

<Kindly refer to 1 (b) above.>

(c) Mr. Anurag Goel

<Kindly refer to 1 (c) above.>

(iv) Top 10 Group companies/firms of the Portfolio Manager on turnover basis (latest audited financial statements may be used for this purpose)

The Portfolio Manager has no Group companies/firms

(v) Details of the services being offered: Discretionary, Non-Discretionary and Advisory

The Portfolio Manager proposes to primarily carry-on discretionary portfolio management services and if opportunity arises thereafter, then it also proposes to render non-discretionary portfolio management services and advisory services.

InvestSavvy Portfolio Management LLP shall provide the above services to the following category of clients:

Client Category	Nature of services
Indian resident individuals, non – resident Indians, bodies corporate, partnership firms, trust, societies, association of persons, limited liability partnership and such other persons as may be deemed by the Portfolio Manager to be eligible to avail the services of the Portfolio Manager	Discretionary/ Non-discretionary/ Advisory
Foreign Portfolio Investors and their sub - accounts	Discretionary/ Non-discretionary/ Advisory

The key features of all the said services are provided as follows:

(a) Discretionary Services:

Under the discretionary PMS, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of assets of the Client. The Securities invested/divested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager’s decision (taken in good faith) in deployment of the Client’s account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time except on the ground of fraud, malafide intent, willful default, conflict of interest (other than those already disclosed in the Agreement) or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the Applicable Laws. Periodical statements in respect of the Client’s assets under management shall be sent to the respective Clients in accordance with the Agreement and the Regulations.

(b) Non - Discretionary Services:

Under the non-discretionary PMS, the assets of the Client are managed in consultation with the Client. Under this service, the assets are managed as per the requirements of the Client after due consultation with the Client. The Client has complete discretion to decide on the investment (quantity and price or amount). The Portfolio Manager, *inter alia*, manages transaction execution, accounting, recording or corporate benefits, valuation and reporting aspects on behalf of the Client.

(c) Advisory Services:

The Portfolio Manager may provide investment advisory services, in terms of the Regulations, which shall include the responsibility of advising on the Portfolio Investment Approach and investment and divestment of individual securities on the Client Portfolio, for an agreed fee structure and for a defined period, entirely at the Client's risk; to all eligible categories of Investors. The Portfolio Manager shall be solely acting as an advisor to the Client Portfolio and shall not be responsible for the investment/divestment of Securities and/or any administrative activities on the Client Portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, in this regard.

4. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority:

- i. All cases of penalties imposed by SEBI or the directions issued by SEBI under the SEBI Act or rules or regulations made thereunder.**
None.
- ii. The nature of the penalty/direction.**
None.
- iii. Penalties/fines imposed for any economic offence and/ or for violation of any securities laws.**
None.
- iv. Any pending material litigation/legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any.**
None.
- v. Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency.**
None.
- vi. Any enquiry/ adjudication proceedings initiated by SEBI against the Portfolio Manager or its partners, principal officer or employee or any person directly or indirectly connected with the Portfolio Manager or its partners, principal officer or employee, under the SEBI Act or rules or regulations made thereunder.**
None.

5. Services Offered

- (i) The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the Document for easy understanding of the potential investor.**

Investment Objective

The Investment Objective is to seek capital appreciation through various strategies by investing in asset classes of equities, equity derivatives, fixed income, fixed income derivatives, mutual funds and any other asset classes and securities permissible under regulations.

The Key factors of the investment approach / strategy will be:

- Owning a compact portfolio of securities
- Identifying attractive opportunities and take concentrated exposures
- Investing across all sectors in the economy
- Emphasis on stock selection
- Selecting stocks with an optimal investment horizon

Though every endeavor will be made to achieve the objectives of each PMS strategy, Portfolio Manager does not guarantee that the investment objectives of the services will be achieved. No guaranteed returns are being offered under the services

(ii) Investment Approach of the Portfolio Manager

Please refer to **Annexure I** for more details

(iii) The policies for investments in associates/group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/guidelines.

The Portfolio Manager does not intend to make any specific investments into its Associates / Group companies on its own account. Investment in associate / group companies of the Portfolio Manager on the Clients account shall be subject to the applicable laws / regulations / guidelines.

(iv) Distributors: The Portfolio Manager may

- appoint channel partners/distributors to on-board the Client
- on-board the Client directly without intermediation of any channel partners/distributors.

6. Risk factors

General Risk:

- Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.
- The Portfolio Manager has no previous experience/track record in the field of portfolio management services and has obtained a license to function as a portfolio manager only on Mar 29, 2022. However, the Principal Officer, directors and other key management personnel of the Portfolio Manager have rich individual experience.

- Without prejudice to the above, the past performance of the Portfolio Manager does not indicate its future performance.
- Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
- The Client Portfolio may be affected by settlement periods and transfer procedures.
- The PMS is subject to risk arising out of non-diversification as the Portfolio Manager under its PMS may invest in a particular sector, industry, few/single Portfolio Entity/ies. The performance of the Client Portfolio would depend on the performance of such companies/industries/sectors of the economy.
- If there will be any transactions of purchase and/or sale of securities by Portfolio Manager and employees who are directly involved in investment operations those conflicts with transactions in any of the Client Portfolio, the same shall be disclosed to the Client.
- The group companies of Portfolio Manager may offer services in nature of consultancy, sponsorship etc., which may be in conflict with the activities of portfolio management services.
- The provisions of the Agreement and the principal and returns on the Securities subscribed by the Portfolio Manager may be subject to force majeure and external risks such as war, natural calamities, pandemics, policy changes of local / international markets and such events which are beyond the reasonable control of the Portfolio Manager. Any policy change / technology updates / obsolescence of technology would affect the investments made by the Portfolio Manager

Other risks arising from the investment objectives, investment strategy, Investment Approach and asset allocation are stated as under:

Risks associated with investments in equity and equity linked securities

- Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.

- In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.
- The value of the Client Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.
- Client may note that Portfolio Manager's investment decisions may not always be profitable, as actual market movements may be at variance with anticipated trends.

Risk Factors associated with investments in derivatives

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of such strategies to be persuaded by the Portfolio Manager involve uncertainty and decision of the Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager shall be able to identify or execute such strategies.
- The risks associated with the use of derivatives are different from or possibly greater than, the risk associated with investing directly in securities and other traditional investments.
- As and when the Portfolio Manager on behalf of Clients would trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that loss may be sustained by the Portfolio as a result of the failure of another party (usually referred as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include

the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.

- The options buyer's risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.
- The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price.
- Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

Risks associated with investments in fixed income securities/products

Some of the common risks associated with investments in fixed income and money market securities are mentioned below. These risks include but are not restricted to:

- **Interest Rate Risk:** As with all debt securities, changes in interest rates affects the valuation of the portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the valuation of portfolios.
- **Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.
- **Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. risk that the issuer will be unable to make timely principal and interest payments on the security). Due to this risk, debentures are sold at a yield spread above those offered on treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Rating Risk:** Different types of debt securities in which the Client invests, may carry different levels and types of risk. Accordingly, the risk may increase or decrease depending upon its investment pattern, for instance corporate bonds carry a higher amount of risk than government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively riskier than bonds, which are AAA rated.
- **Price Volatility Risk:** Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The market for these Securities may be less liquid than that for other higher rated or more widely followed Securities.

Investment and Liquidity Risks: There may be no active secondary market for investments of the kind the Portfolio Manager may make for the Client Portfolio. Such investments may be of a medium-to-long term nature. There are a variety of methods by which unlisted investments may be realized, such as the sale of investments on or after listing, or the sale or assignment of investments to joint-venture partners or to third parties subject to relevant approvals. However, there can be no guarantee that such realizations shall be achieved, and the Portfolio's investments may remain illiquid.

Since the Portfolio may only make a limited number of investments, poor performance by one or a few of the investments could severely adversely affect the total returns of the PMS.

Identification of Appropriate Investments: The success of the PMS as a whole depends on the identification and availability of suitable investment opportunities and terms. The availability and terms of investment opportunities will be subject to market conditions, prevailing regulatory conditions in India where the Portfolio Manager may invest, and other factors outside the control of the Portfolio Manager. Therefore, there can be no assurance that appropriate investments will be available to, or identified or selected by, the Portfolio Manager.

Management and Operational risks

Reliance on the Portfolio Manager

- The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of Portfolio Entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time. The Portfolio Manager relies on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.
- The investment decisions made by the Portfolio Manager may not always be profitable.
- Investments made by the Portfolio Manager are subject to risks arising from the investment objectives, Investment Approach, investment strategy and asset allocation.

Exit Load: Client may have to pay a high Exit Load to withdraw the funds/Portfolio (as stipulated in the Agreement with the Client). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

Non-diversification risks: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.

No Guarantee: Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as delisting of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

Ongoing risk profiling risk: The Client would be subject to ongoing risk profiling in accordance with the Regulation. If in case during such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or doesn't have risk appetite, the Portfolio Manager may terminate the Agreement with the Client.

India-related Risks

Political, economic and social risks: Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The Portfolio Entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the Portfolio Entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Many countries have experienced outbreaks of infectious illnesses in recent decades, including severe acute respiratory syndrome and the COVID-19. The COVID-19 outbreak has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The ongoing spread of the COVID-19 has, had, and will continue to have a material adverse impact on portfolio entities, local economies and also the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. Additionally, the Portfolio Manager's operations could be disrupted if any of its member or any of its key personnel contracts the COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to

other comparable infectious diseases.

Legal and Tax risks:

Tax risks: Clients/ Investors are subject to a number of risks related to tax matters. In particular, the tax laws relevant to the Client Portfolio are subject to change, and tax liabilities could be incurred by the Clients/ Investors as a result of such change. The government of India, state governments and other local authorities in India impose various taxes, duties and other levies that could affect the performance of the Portfolio Entities. The tax consequences of an investment in the Portfolio Entities are complex, and the full tax impact of an investment in the Portfolio Entities will depend on circumstances particular to each Client/ Investor. Furthermore, the tax laws in relation to the Client Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes. Alternative tax positions adopted by the income tax authorities could also give rise to incremental tax liabilities in addition to the tax amounts already paid by the Client/Investors. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client Portfolio's profitability.

Bankruptcy of Portfolio Entity: Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a Portfolio Entity that experience financial difficulty. For example, if a Portfolio Entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the Portfolio Investment to other creditors. If the PMS/Client holds equity securities in any Portfolio Entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

Change in Regulation: Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

Risk pertaining to Investments

Investment in Securities/Instruments

- The Client Portfolio may comprise of investment in unlisted securities, fixed income securities, debt securities/products and in case of such securities, the Portfolio Manager's ability to protect the investment or seek returns or liquidity may be limited.
- In case of in-specie distribution of the Securities by the Portfolio Manager upon termination or liquidation of the Client Portfolio, the same could consist of such Securities for which there may not be a readily available public market. If an in-specie

distribution is received by the Client from the Portfolio Manager, the Client may have restrictions on disposal of assets so distributed and consequently may not be able to realize full value of these assets.

- Some of the Portfolio Entities in which the Portfolio Manager will invest may get their Securities listed with the stock exchange after the investment by the Portfolio Manager. In connection with such listing, the Portfolio Manager may be required to agree not to dispose of its securities in the Portfolio Entity for such period as may be prescribed under the Applicable Law, or there may be certain investments made by the Portfolio Manager which are subject to a statutory period of non-disposal or there may not be enough market liquidity in the security to effect a sale and hence Portfolio Manager may not be able to dispose of such investments prior to completion of such prescribed regulatory tenures and hence may result in illiquidity.
- The Client Portfolio may be invested in listed securities and as such may be subject to the market risk associated with the vagaries of the capital market.

The Portfolio Manager may also invest in portfolio entity/ies which are investment vehicles like mutual funds/trusts. Such investments may present greater opportunities for growth but also carry a greater risk than is usually associated with investments in listed securities or in the securities of established companies, which often have a historical record of performance. Provided investments in mutual funds shall be through direct plans only

7. Client Representation:

- (i) Details of Clients serviced by Portfolio Manager for portfolio management upto the date of disclosure document are as follows

PMS Type		Discretionary Clients		Non-Discretionary Clients		Advisory Clients	
Category of Clients		Associates / group companies	Others	Associates / group companies	Others	Associates / group companies	Others
October 31, 2023	No. of Clients	0	20	0	0	0	0
	Fund Managed (Rs. Crs)	0	30.34	0	0	0	0
31st Mar 2023	No. of Clients	0	12	0	0	0	0
	Fund Managed (Rs. Crs)	0	13.74	0	0	0	0
31st Mar 2022	No. of Clients	0	0	0	0	0	0
	Fund Managed (Rs. Crs)	0	0	0	0	0	0

- (ii) Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India- No Such Transaction.

8. The Financial Performance of Portfolio Manager (based on audited financial statements)

Particulars	Year Ended March 2023
Total Income	89,49,771.38
Total Expenditure	1,24,44,471.62
Profit/ (Loss) before depreciation & Tax	(34,94,700.24)
Less:Depreciation	2,58,219.00
Provision for Tax	-
Profit/ (Loss) after Tax	(37,52,919.24)

9. Performance of the Portfolio Manager

Investment Approach: INVESTSAVVY ALPHA FUND Start date: 01-Apr-2022

Investment Category - Discretionary Services	Period 01-Apr-22 to 31-Mar-23	Period 01-Apr-23 to 31-October -23
Portfolio Performance (%), Net of all fees and charges levied by the portfolio manager	10.89%	63.80%
Benchmark Performance %	0.44%	15.97%

For portfolios started during the financial year, the returns for the portfolio and benchmark have been calculated since inception of the portfolio.

10. Details of investments in the securities of related parties of the Portfolio Manager:

Investments in the securities of associates/related parties of Portfolio Manager:

Sr. No.	Investment Approach, if any	Name of the associate/ related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
-	NIL	NIL	NIL	NIL	NIL

11. Audit Observations for preceding three years

Sr. No.	Year Ending	Observations
1	March 31, 2023	Clause 44 : We have been informed by the Assessee that the information required under this clause has not been maintained by it in absence of the disclosure requirement thereof under the Goods & Service Tax Statute. Further the Standard Accounting Software used by the Assessee is not configured to generate any report in respect of such historical data in absence of any prevailing statutory requirement regarding the requisite information in this clause. In view of above we are unable to verify and report the desired information in this clause.
2	March 31, 2022	No Observation
3	March 31, 2021	No Observation

12. Nature of expenses

The following are the general costs and expenses to be borne by the Client while availing the services of the Portfolio Manager. However, the exact quantum and nature of expenses relating to each of the following services is annexed to the Portfolio Management Agreement in respect of each of the services provided.

Expense	Purpose
Portfolio Management fees	Fee relates to the portfolio management services offered and provided to the Clients. The fee may be fixed or performance based or a combination of both as detailed in the Portfolio Management Agreement.
Communication charges	Charges related to custody and transfer of shares, bonds and units and/any other charges in respect of the investment.
Depository/Custodian fee	Charges relating to opening and operation of Demat account, dematerialization, rematerialisation etc.
Registrar and transfer agent fee	Fee payable to R&T agents for effecting transfers of all or any of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and Courier charges
Brokerage and transaction costs	Brokerage, transaction costs and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies imposed from time to time.

Please refer to the PMS Agreement for range of fees to be charged under various heads. Pursuant to SEBI Cir./IMD/DF/13/2010 dated October 05, 2010 for charging of performance/profit sharing fee, high water mark principle will be followed.

High Water Mark Principle: High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value

on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The portfolio manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

Custodian/Depository Participant/Portfolio Accounting: The Portfolio Manager shall appoint SEBI registered Custodians and Depository Participants from time to time based on their services/offerings, for the purpose of operating the clients' Demat and/or bank accounts. The fees and other charges levied to the clients are subject to actuals as charged by the respective Custodians and DPs. The Portfolio Manager undertakes to maintain Books and records separately in the name of the clients and in accordance with the accounting standards and policies as applicable.

13. Taxation

It may be noted that the information given hereinafter is only for general information purposes and is based on the Portfolio Manager's understanding regarding the Tax laws and practice currently in force in India and the Investors should be aware that the relevant fiscal rules or their interpretation may change or it may not be acceptable to the tax authorities. As is the case with any interpretation of any law, there can be no assurance that the tax position or the proposed tax position prevailing at the time of an investment will be accepted by the tax authorities or will continue to be accepted by them indefinitely.

In view of the individual nature of tax consequences, each client is advised to consult his/her/its tax advisor with respect to the specific tax consequences to him/her/it of participation in the product. The portfolio manager shall not be responsible for assisting in or completing the fulfillment of the client's tax obligations. For complete details on taxation clients are urged to visit <https://www.incometaxindia.gov.in/Pages/default.aspx>

Income Tax: Under the portfolio management service, responsibility of the income tax payment on the income earned from PMS activities is on the investors. The Portfolio Manager will provide adequate statements required for the accounting purpose.

Securities Transaction Tax: Securities Transaction Tax (STT) at the rate of 0.10% is applicable on delivery-based trade in equity shares or units of an equity oriented fund entered into in a recognized stock exchange. STT paid is eligible for income tax benefit under the provisions of the Income Tax Act, subject to such conditions prescribed therein.

Short Term Capital Gain Tax: Short-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares within one year of purchase date for assets being shares in a company or any other security listed on a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

Long Term Capital Gain Tax: Long-Term Capital Gain Tax is the tax that is levied on the proceeds earned through the sale of shares after one year of purchase date for assets being shares in a company or any other security listed on a recognised stock exchange in India i.e. equity shares, preference shares or debentures, or a unit of the Unit Trust of India or a unit of an equity oriented mutual fund or zero-coupon bonds.

Goods and Service Tax (GST): will be applicable on services provided by the Portfolio Manager to Clients. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee, Audit Fees, Custodian Fees, Fund Accounting Fees, etc.

Dividend Distribution tax (DDT): Effective 1 April 2020 the Dividend received on the shares and units of Mutual Funds held in the Portfolio Management Services are subject to tax in the hands of investor at the applicable slab rates.

TDS on Sale Proceeds for Non-Resident Individuals: In respect to short-term capital gains from units of equity oriented schemes, tax is required to be deducted at the rate of 15% for both corporate and non- corporate non-resident unit holders. Long term capital gains from equity oriented schemes & listed equity shares are liable to be withhold @10% if the capital gain exceed Rs 1 Lakh during the financial year starting from April 1, 2018 subject to Grandfathering Clause.

14. Accounting policies

Following key accounting policies shall be followed:

- All investments will be marked to market.
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.
- The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note.
- Accounting norms prevalent in the portfolio management services industry and as may be prescribed/applicable from time to time.

15. Custody of Securities

- i) Custody of all Securities of the Client shall be with the Custodian who shall be appointed, from time to time, at the discretion of the Portfolio Manager.
- ii) The Custodian shall act on instructions of the Portfolio Manager.
- iii) All such custodian fees, charged by the Custodian shall be payable by the Client.
- iv) The Portfolio Manager shall not be liable for any act of the Custodian, done with or without the instruction of the Portfolio Manager, which may cause or is likely to cause

any loss or damage to the Client.

16. Investors services

The Portfolio Manager seeks to provide the Clients a high standard of service. The Portfolio Manager is committed to put in place and upgrade on a continuous basis the systems and procedures that will enable effective servicing through the use of technology. The Client servicing essentially involves:

- (a) Reporting portfolio actions and client statement of accounts at pre-defined frequency;
- (b) Attending to and addressing any client query with least lead time;
- (c) Ensuring portfolio reviews at predefined frequency.

Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints:

Name	Mr. Sumesh Nair
Designation	Compliance Officer
Address	12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai, Maharashtra
Telephone No	022-40135151 / +91 8928293936
Email id	crm@investsavvy.in

Grievance redressal and dispute settlement mechanism:

The aforesaid personnel of the Portfolio Manager shall attend to and address any Client query/concern/grievance at the earliest. The Portfolio Manager will ensure that this official is vested with the necessary authority and independence to handle Client complaints. The aforesaid official will immediately identify the grievance and take appropriate steps to eliminate the causes of such grievances to the satisfaction of the Client. Effective grievance management would be an essential element of the Portfolio Manager's portfolio management services and the aforesaid official may adopt the following approach to manage grievance effectively and expeditiously:

1. **Quick action-** As soon as any grievance comes to the knowledge of the aforesaid personnel, it would be identified and resolved. This will lower the detrimental effects of the grievance.
2. **Acknowledging grievance-** The aforesaid officer shall acknowledge the grievance put forward by the Client and look into the complaint impartially and without any bias.
3. **Gathering facts-** The aforesaid official shall gather appropriate and sufficient facts

explaining the grievance's nature. A record of such facts shall be maintained so that these can be used in later stage of grievance redressal.

4. **Examining the causes of grievance-** The actual cause of grievance would be identified. Accordingly, remedial actions would be taken to prevent repetition of the grievance.
5. **Decision making** - After identifying the causes of grievance, alternative course of actions would be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure would be analysed and accordingly decision should be taken by the aforesaid official. The aforesaid official would execute the decision quickly.
6. **Review** - After implementing the decision, a follow-up would be there to ensure that the grievance has been resolved completely and adequately.

Grievances/concerns, if any, which may not be resolved/satisfactorily addressed in aforesaid manner shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. Sumesh Nair and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in a reasonable manner and time. The coordinates of the Compliance Officer are provided as under:

Name	Mr. Sumesh Nair
Designation	Compliance Officer
Address	12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai, Maharashtra
Telephone No	022-40135151 / +91 8928293936
Email id	crm@investsavvy.in

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

Any dispute unresolved by the above internal grievance redressal mechanism of the Portfolio Manager, can be submitted to arbitration under the Arbitration and Conciliation Act, 1996. The arbitration shall be before three arbitrators, with each party entitled to appoint an arbitrator and the third arbitrator being the presiding arbitrator appointed by the two arbitrators. Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. Further, the cost of appointing the presiding arbitrator will be borne equally by both the parties. Such arbitration proceedings shall be held at New Delhi and the language of the arbitration shall be English. The courts of New Delhi shall have the exclusive jurisdiction to adjudicate upon the claims of the parties.

Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably

address the same. SCORES is available at <http://scores.gov.in>. A common Online Dispute Resolution Portal (“ODR Portal”) which harnesses conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market has been established. ODR Portal can be accessed via the following link - <https://smartodr.in/>

17. General

Prevention of Money Laundering

The Portfolio Manager shall presume that the identity of the Client and the information disclosed by the Client is true and correct. It will also be presumed that the funds invested by the Client through the services of the Portfolio Manager come from legitimate sources / manner only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, 1961, PML Laws, Prevention of Corruption Act, 1988 and/or any other Applicable Law in force and the investor is duly entitled to invest the said funds.

To ensure appropriate identification of the Client(s) under its Know Your Client (KYC) policy and with a view to monitor transactions in order to prevent money laundering, the Portfolio Manager (itself or through its nominated agency as permissible under Applicable Laws) reserves the right to seek information, record investor’s telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, proof of residence, source of funds, etc.

Where the funds invested are for the benefit of a person (beneficiary) other than the person in whose name the investments are made and/or registered, the Client shall provide an undertaking that the Client, holding the funds/securities in his name, is legally authorised/entitled to invest the said funds/securities through the services of the Portfolio Manager, for the benefit of the beneficiaries.

The Portfolio Manager will not seek fresh KYC from the Clients who are already KYC Registration Agency (KRA) compliant except the information required under any new KYC requirement. The Clients who are not KRA compliant, the information will be procured by the Portfolio Manager and uploaded.

The Portfolio Manager, and its directors, shareholders, employees, agents and service providers shall not be liable in any manner for any claims arising whatsoever on account of freezing the Client’s account/rejection of any application or mandatory repayment/returning of funds due to non-compliance with the provisions of the PML Laws and KYC policy. If the Portfolio Manager believes that transaction is suspicious in nature within the purview of the PML Laws, then it will report the same to FIU-IND.

Notwithstanding anything contained in this Document, the provisions of the Regulations, PML Laws and the guidelines there under shall be applicable. Clients/Investors are advised to read the Document carefully before entering into an Agreement with the Portfolio Manager.

For and on behalf of InvestSavvy Portfolio Management LLP

Mr. Ashish Goel DIN: 09320181 Designated Partner	:	
Ms. Alankrita Goel DIN: 09320182 Designated Partner	:	

Place: Mumbai

Date: 22/12/2023

FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 (Regulation 22)

Name	InvestSavvy Portfolio Management LLP
Address	12-10, Sunshine Tower, S.B. Marg, Dadar (West), Mumbai, Maharashtra
Phone	400013
Fax Number	+91-9820261323
Email	Not applicable

We confirm that:

- (i) the Disclosure Document forwarded to SEBI is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by SEBI from time to time;
- (ii) the disclosures made in the Document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment through the Portfolio Manager;
- (iii) the Disclosure Document has been duly certified by an independent Chartered Accountant, as on 22/12/2023. The details of the Chartered Accountants are as follows:

Name of the Firm : M/s JINESH MOTA & CO
UDIN : 23116187BGWXRC2216
Proprietor : Yes
Membership Number : 116187
Address: : Gala No. 17, Pradhan Sagar Building, Jivdaya Lane,
Ghatkopar West, Mumbai - 400086

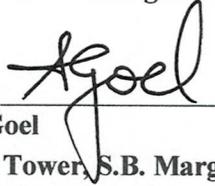
Telephone Number : +91 9820054892

(enclosed is a copy of the Chartered Accountants' certificate to the effect that the disclosures made in the Document are true, fair and adequate to enable the investors to make a well-informed decision).

For and on behalf of InvestSavvy Portfolio Management LLP

Date: 22/12/2023

Place: Mumbai

Signature of the Principal Officer: 

Mr. Ashish Goel

Address: **12-10, Sunshine Tower, S.B. Marg,
Dadar (West), Mumbai, Maharashtra
400013**

Annexure I- Investment Approach

1. Portfolio Manager Investment Approach

The Portfolio Manager shall focus on the past performance and future prospects of the Company and the business, financial health, competitive edge, managerial quality and practices, minority shareholder fairness, and transparency. Companies that adequately satisfy the prescribed criteria are included in the portfolio. The weight of individual companies will be based on their upside potential relative to downside risk.

For investment in fixed-income securities, the optimum duration of the portfolio is first determined based on the interest rate view. Then depending on this decision, the mix of G-Secs, corporate debt, money market instruments, and cash is arrived at. This mix tries to ensure that returns are maximized while still protecting the liquidity of the portfolio. Within corporate debt, a further decision is taken regarding the weights of AAA (pronounced 'triple A') rated instruments and Sub-AAA rated instruments.

The Portfolio Manager will use derivative instruments as permitted under regulations for optimizing the risk-return profile of equity and debt portfolios.

2. Purpose of using derivatives

The portfolio manager may advise on use of derivatives with an objective of either hedging or balancing the portfolio. By the use of derivatives for the purpose of hedging, the Portfolio Manager attempts to protect the portfolio especially when markets are uncertain or have a downward bias.

3. Use of Derivatives

The Portfolio managers may invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing through a recognized stock exchange with the objective of protecting the value of the portfolio and enhance the Clients' interest.

Accordingly, the Portfolio Manager may use derivatives instruments like

Stock / Index Futures, Stock / Index Options, Interest Rate Swaps, Forward Rate Agreements or other such derivative instruments as may be introduced from time to time, as permitted by SEBI.

The following information provides a basic idea as to the nature of the derivative instruments generally intended to be used by the Portfolio Manager and the benefits and risks associated there with. The illustrations provided hereunder are for the purpose of understanding by the client.

Index Futures:

Benefits

- Investment in Index Futures can give exposure to the Index without directly buying the individual stocks. Appreciation in Index stocks can be effectively captured through investment in Index Futures.
- The Portfolio Manager can sell futures to hedge against market movements effectively without actually selling the stocks it holds.
- The Index Futures are instruments designed to give exposure to the equity Market indices. The pricing of an index future is the function of the underlying Index and interest rates.

Stock Futures:

Benefits:

- Investment in stock futures can give exposure to the stock without directly buying the stocks. Appreciation in stocks can be effectively captured through investment in stock futures.
- The portfolio Manager can sell stock futures to hedge against adverse movements effectively without actually selling the stocks in holds.

The risk and return payoff of the stock futures is similar to that of an index future mentioned above

Illustration:

Spot Index: 1100, 1-month Nifty Future Price on day 1: 1125, Portfolio Manager buys 100 lots, each lot has a nominal value equivalent to 50 units of the underlying index.

Let us say that on the date of settlement, the future price = Closing spot price = 1150.

Profits for the Portfolio = $(1150 - 1125) * 50 \text{ lots} * 100 = ₹1,25,000$ /Annexure-I

Please note that the above example is given for illustration purposes only.

The net impact for the Portfolio will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Portfolio will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity of Index Stocks and hence mispricing of the futures at the time of purchase.

Buying Options:

Benefits of buying a call option:

Buying a call option on a stock or index gives the owner the right but not the obligation to buy the underlying stock or index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration:

For example, if the Portfolio Manager buys a one-month call option on Infosys Technologies

at a strike price of ₹2850 with the current market price being say ₹2860. The Portfolio Manager will have to pay a premium of say ₹15 to buy this call. If the stock price goes below ₹2850 during the tenure of the call, the Portfolio Manager avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Portfolio Manager gives up the premium of ₹15 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above ₹2850, it can exercise its right and own Infosys Technologies at a cost price of ₹2850 thereby participating in the upside of the stock. For such a transaction, the break-even price will be the sum of strike price and the premium paid, in this case it would be ₹2850 + ₹15 = ₹2865.

Benefits of buying a put option:

Buying a put option on a stock originally held by the buyer gives him/her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

Illustration:

For example, if the portfolio owns Infosys Technologies and also buys a three-month put option on Infosys Technologies at a strike of ₹2850, the current market price being say ₹2860. The Portfolio Manager will have to pay a premium of say ₹15 to buy this put. If the stock price goes below ₹2850 during the tenure of the put, the Portfolio Manager can still exercise the put and sell the stock at ₹2850, avoiding therefore any downside on the stock below ₹2850. The Portfolio Manager gives up the fixed premium of ₹15 that has to be paid in order to protect the Portfolio from this probable downside. If the stock goes above ₹2850, say to ₹2870, it will not exercise its option. The Portfolio Manager will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of ₹2870.

Writing Options

Benefits of writing an option with underlying stock holding (Covered call writing):

Covered call writing is a strategy where a writer (say, the Portfolio Manager) will hold a particular stock, and sell in the market a call option on the stock. Here the buyer of the call option now has the right to buy this stock from the writer (the Portfolio Manager) at a particular price which is fixed by the contract (the strike price). The writer receives a premium for selling a call, but if the call option is exercised, he has to sell the underlying stock at the strike price. This is advantageous if the strike price is the level at which the writer wants to exit his holding / book profits. The writer effectively gains a fixed premium in exchange for the probable opportunity loss that comes from giving up any upside if the stock goes up beyond the strike price.

Illustration:

Let us take for example Infosys Technologies, where the Portfolio holds stock, the current market price being ₹2850. The Portfolio Manager holds the view that the stock should be sold

when it reaches ₹3000. Currently the one month 3000 calls option can be sold at say ₹150. Selling this call gives the call owner the right to buy from the portfolio, Infosys at ₹3000. Now the Portfolio Manager by buying/ holding the stock and selling the call is effectively agreeing to sell Infosys at ₹3000 when it crosses this price. So the Portfolio Manager is giving up any possible upside beyond ₹3000. However, the returns on the Portfolio are higher than what it would have got if it just held the stock and decided to sell it at ₹3000. This is because the Portfolio Manager by writing the covered call gets an additional ₹150 per share of Infosys. In case the price is below ₹3000 during the tenure of the call, then it will not be exercised and the Portfolio Manager will continue to hold the shares. Even in this case the returns are higher than if the Portfolio had just held the stock waiting to sell it at ₹3000.

Benefits of writing put options with adequate cash holding:

Writing put options with adequate cash holdings is a strategy where the writer (say, the Portfolio Manager) will have an amount of cash and will sell put options on a stock. This will give the buyer of this put option the right to sell stock to the writer (the Portfolio Manager) at a pre-designated price (the strike price). This strategy gives the put writer a premium, but if the put is exercised, he has to buy the underlying stock at the designated strike price. In this case the writer will have to accept any downside if the stock goes below the exercise price. The writer effectively gains a fixed premium in exchange for giving up the opportunity to buy the stock at levels below the strike price. This is advantageous if the strike price is the level at which the writer wants to buy the stock.

Illustration:

Let us take, for example, that the Portfolio Manager wants to buy Infosys Technologies at ₹2900, the current price being ₹3000. Currently the three month 2900 puts can be sold at say ₹100. Writing this put gives the put owner the right to sell to the portfolio, Infosys at ₹2900. Now the Portfolio by holding cash and selling the put is agreeing to buy Infosys at ₹2900 when it goes below this price. The Portfolio Manager will take on itself any downside if the price goes below ₹2900. But the returns on the Portfolio are higher than what it would have got if it just waited till the price reached this level and bought the stock at ₹2900, as per its original view. This is because the Portfolio Manager by writing the put gets an additional ₹100 per share of Infosys. In case the price stays above ₹2900 during the tenure of the put, then it will not be exercised and the Portfolio Manager will continue to hold cash. Even in this case the returns are higher than if the Portfolio had just held cash waiting to buy Infosys at ₹2900.

Risks associated with Investing in Derivatives:

When the Portfolio Manager transacts in the derivatives market, there are risk factors and issues concerning the use of derivatives that the investors should be aware of.

Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires

an understanding not only of the underlying interest but also of the derivative instrument itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is evolving in India Risk Factors – Derivatives.

- **Counter Party Risk:** This is the risk of default of obligations by the counter party.
- **Market risk:** Derivatives carry the risk of adverse changes in the market price.
- **Illiquidity risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- **Basis Risk:** The risk that the movements in swap rates does not actually reflect the expected movement in benchmark rates, thus, creating a mismatch with what was intended.
- **Model Risk:** this is the risk of mis-pricing or improper valuation of derivatives.

The Portfolio Manager may use techniques such as interest rate swaps, options on interest rates, warrants, forward rate agreement and other derivative instruments that are / may be permitted under SEBI/RBI Regulation. These techniques and instruments, if imperfectly used, have the risk of the portfolio incurring losses due to mismatches, particularly in a volatile market. The portfolio’s ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any).

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for forward rate agreements, interest rate swaps, futures and other derivative products would be adhered to.

The portfolio manager may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio.

The Client is advised to review the Disclosure Document, Client Agreement, and other related documents carefully and in entirety and consult their legal, tax, and financial advisors to determine possible legal, tax, and financial or any other consequences of investing under the Portfolio, before making an investment decision.

Investment Objective for INVESTSAVVY ALPHA FUND:

The objective of this Investment approach is to generate capital appreciation over the long term. The stock selection process would be Value buying, independent of the size of the companies, their market capitalization, their sector, and their position in any index.

Description of types of securities: Listed Equity, Debt MF, ETF, and equity-oriented portfolio that may also include units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Basis of selection of such types of securities as part of the investment approach:

No restriction on concentration as measured through market capitalization, sector, or style of investment

The portfolio manager may have allocation towards cash and cash equivalents in the following two scenarios:

- At the time of initial deployment of funds
- Based on market conditions to increase allocation to cash or to hedge the downside risk of the portfolio.

Allocation of portfolio across types of securities: Upto 100% equity-oriented portfolio. (Portfolio manager may take up to 3 months to deploy the investment)

Benchmark: BSE 500 Index Indicative tenure or investment horizon: The investment approach involves investing in stocks for the long term, hence investors should have a holding period of 36 months and above

Strategy: Equity

Risks associated with the investment approach

Market Risks: The volatility in the market value of equity and equity related instruments is due to

various micro and macro-economic factors affecting the securities market. This may have an adverse impact on individual securities/sector and consequently, the portfolio of the investor.

Selection & Concentration risk: There are risks associated with security selected/advised may underperform the market or the portfolio may have the risk of over exposure to few securities/issuers/sectors. The Portfolio manager may try to mitigate the risk by targeting diversification of the portfolio as per emerging market conditions and portfolio appropriateness as per the client's investment requirements, kindly refer section 'RISK FACTORS' given in this document.

Specific Risks Associated with Equity / Equity-Related Instruments

- Investment in equity/equity-related instruments may be adversely affected by the performance of companies, changes in the economy, fluctuations in the market, and industry-specific or other factors.
- Liquidity in the investments may be affected by trading volumes, settlement periods, and transfer procedures. Industry-specific stocks may be subject to volatility, high valuations, obsolescence, and low liquidity For Other Risks associated with investment in securities.

Risk associated with the investment approach:

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Risks associated with Mutual Fund Schemes

- Mutual Funds and securities investments are subject to market risks and there can be no assurance and no guarantee that the scheme will achieve its objective.
- As with any investment in stocks, shares and securities, the NAV of the Units under this scheme can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the previous schemes, the Sponsors or its Group/ Affiliates is not indicative of and does not guarantee the future performance of the scheme.
- The name of the scheme does not in any manner indicate either the quality of the scheme, its future prospects or the returns. Investors therefore are urged to study the terms of the Offer carefully and consult their text and Investment Advisor before they invest in the scheme.
- Tracking errors are inherent in any indexed fund and such errors may cause the scheme to generate returns which are not in line with the performance of the Nifty/SENSEX or one or more securities

covered by / included in the Nifty/ SENSEX. To the extent that some assets/ funds may be deployed in Stock Lending / Money Market Operations, the scheme will be subject to risks relating to such deployment/operations and may also contribute to tracking errors.

- Investment in interest-bearing securities are subject to interest rate risk, credit risk, and liquidity risk Risks attached to Exchange Traded Funds: (ETFs)

- Absence of Prior Active Market: Although the units of ETFs are listed on the stock exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.

- Lack of Market Liquidity: Trading in units of ETFs on the Stock Exchange on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned stock exchange or market regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit filter' rules. There can be no assurance that the requirements of the concerned stock exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain unchanged.

- Units of Exchange Traded Funds May Trade at Prices Other than NAV: Units of ETFs may trade above or below their NAV. The NAV of Units of ETFs may fluctuate with changes in the market value of a scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created/redeemed in creation Units, directly with the fund, large discounts or premiums to the NAVs will not be sustained due to arbitrage possibility available

- Counter-Party / Third-Party Manager Risk: ETFs purchased on behalf of investors would be floated by third parties, as such Tata PMS does not guarantee the creditworthiness of the same.

Specific Risks Associated with Fixed Income Instruments :

- Interest Rate Risk: As with all debt securities, changes in interest rates may affect the valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities.

- Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near its valuation yield-to maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today characteristic of the Indian fixed-income market

- Credit Risk or default risk refers to the risk that an issuer of a fixed-income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed-income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default.

- Concentration Risk Portfolio Manager may invest the client's money in securities issued by a single issuer/mutual fund. In such cases, concentration risk will be high. For Other Risks associated with an

investment in securities, kindly refer section 'RISK FACTORS' given in this document.

Investment Objective for INVESTSAVVY FOCUSED FUND:

The objective of this fund is to adopt an aggressive investment approach aimed at generating capital appreciation over the medium to long term. The stock selection process involves a combination of Value and Growth buying, independent of the size of the companies, their market capitalization, their sector, and their position in any index.

Description of types of securities: Listed Equity, Debt MF, ETF, and equity-oriented portfolio that may also include units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

Basis of selection of such types of securities as part of the investment approach:

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