VALLUM CAPITAL ADVISORS PRIVATE LIMITED

Portfolio Management Services

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES

DISCLOSURE DOCUMENT OF VALLUM CAPITAL ADVISORS PRIVATE LIMITED

(SEBI Registration No. INP000006961)

(As per the requirement of the Fifth Schedule under Regulation 22 of SEBI (Portfolio Managers) Regulations, 2020)

(i) The Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and filed with SEBI.

(ii) The Document has been filed with the Board (SEBI) along with the certificate in the prescribed format in terms of regulation 22 of SEBI (Portfolio Managers) Regulation 2020.

(iii) The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.

(iv) The document contains 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.

(v) This Disclosure Document is dated **31st July, 2020** **(Financial data considered up to 31st March 2020)**

Details of the Portfolio Manager

Name of Portfolio Manager	:	Vallum Capital Advisors Private Limited
SEBI Registration Number	:	INP000006961
Registered Office Address	:	Bungalow No. 36, Kalanagar Bandra East, Mumbai 400 051.
Phone No(s)	:	022-26590845
E-mail address	:	connect.vallum@vallum.in
Website	:	http://www.vallum.in/

Details of Principal Officer

Name of Principal Officer	:	Mr. Manish Bhandari
Corporate Office Address	:	Bungalow No. 36, Kalanagar Bandra East, Mumbai 400 051.
Phone No(s)	:	022-26590845
E-mail address	:	connect.vallum@vallum.in

INDEX

Contents of Disclosure Document

1) Disclaimer clause:

The particulars given in this Document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations' 2020 as amended till date and filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the document. You are requested to retain the document for future reference. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person.

Notwithstanding anything contained in the Disclosure Document, the provisions of SEBI (Portfolio Managers) Regulations, 2020 and as amended from time to time and the circulars/guidelines issues from time to time there under shall be applicable.

2) Definitions:

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively: -

(a) **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992) as amended from time to time.

(b) "**Agreement**" means agreement between Portfolio Manager and its Clients in terms of Regulation 14 of SEBI (Portfolio Managers) Regulations, 2020 and SEBI (Portfolio Managers) Amendment Regulation, 2016 issued by Securities and Exchange Board of India and shall include all recitals, schedules, exhibits and Annexure attached thereto and any amendments made to this Agreement by the Parties in writing.

(c) **"Application"** means the application made by the Client to the Portfolio Manager to place the monies and/or securities mentioned therein with the Portfolio Manager for Portfolio Management Services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.

(d) **"Assets"** means (i) the Portfolio and/or (ii) the Funds and includes all accruals, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and / or replacements or any other beneficial interest, including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monitory value), in relation to or arising out of Assets.

(e) **"Bank Account"** means one or more accounts opened, maintained and operated by the Portfolio Manager with any of the Scheduled Commercial Banks in the name of the Client or a pool account in the name of Portfolio Manager to keep the Funds of all clients.

(f) **"Board" or "SEBI"** means 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 as amended from time to time.

(g) **"Business Day"** means days other than:
- Saturday and Sunday,
- a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
- a day on which the Bombay Stock Exchange and the National Stock Exchange are closed,

- a day on which normal business could not be transacted due to storms, floods, bands, strikes etc.

(h) **"Client"** means the person who enters into an Agreement with the Portfolio Manager for managing its portfolio/funds.

(i) **"Depository Account"** means one or more account or accounts opened, maintained and operated by the Portfolio Manager in the name of the Client, with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations 1996.

(j) **"Discretionary Portfolio Management Services"** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of assets of the Client;

(k) **"Document"** means Disclosure Document

(l) **"Financial year"** means the year starting from 1st April and ending on 31st March of the following year

(m) **"Funds"** means the monies placed by the Client with the Portfolio Manager and any accretions thereto.

(n) **"High Water Mark"** means a value of the highest Closing NAV achieved by the Portfolio in any year during the subsistence of this Agreement (adjusted for any additional funds/withdrawals by the Client in that year) and net of Portfolio Management Fees, for that year.

(o) **"Investment Advice"** means advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning.

(p) **"Investment Management Fees"** shall have the meaning attributed thereto in Clause [10] of this Document under the head Fees & Services Charged (To be charged on Actuals)

(q) **"Non-Discretionary Portfolio Management Services"** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in the Agreement with respect to the Assets (including the Portfolio and Funds) of the Client, where the Portfolio Manager shall provide advice in relation to assets but does not exercise any discretion with respect to investments or management of the Assets of the Client, and invests and manage the Assets only after seeking and taking approval from the Client, entirely at the Client's risk.

(r) **"Net Asset Value" (NAV):** Net Asset Value is the market value of assets in a portfolio consisting of equity, derivative, debt, mutual funds units, cash, cash equivalents, accrued interest or benefits receivables, if any, etc. less payable, if any.

(s) **"Parties"** means the Portfolio Manager and the Client, and **"Party"** shall be construed accordingly.

(t) **"Person"** includes any individual, partners in a partnership, limited liability partnership, central or state government, company, body corporate, cooperative society, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.

(u) **"Portfolio Manager"** means "**Vallum Capital Advisors Private Limited**" who has obtained the certificate of registration from SEBI to act as a Portfolio Manager under Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 vide **Registration No. INP000006961.**

(v) **"Plan/Product"** shall mean plans offered by the Portfolio Manager and accepted by the client for the purpose of investments.

(w) **"Portfolio"** means the Securities and/or fund managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Agreement, Securities acquired by the

Portfolio Manager through investment of Funds and bonus and rights shares in respect of Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.

(x) **"Principal Officer"** means an individual who is responsible for the activities of portfolio management and has been designated as a principal officer by the portfolio manager.

(y) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time;

(z) "**Scheduled Commercial Bank**" means any bank included in the Second Schedule to the Reserve Bank of India Act, 1934(2 of 1934).

(aa) **"Securities"** shall mean and include "Securities" as defined under the Securities Contracts (Regulation) Act, 1956; Shares, scripts, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, money market instruments, commercial paper, certificates of deposit, units issued by the Unit Trust of India and/or by any mutual funds, exchange traded funds, mortgage backed or other asset backed securities, derivatives, derivative instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, any trust, any entity, the Central Government, any State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialized form in respect of any of the foregoing or evidencing or representing rights or interest therein; and any other instruments or investments (including borrowing or lending of securities) as may be permitted by applicable law from time to time.

INTERPRETATION:

- Words and expressions used in this disclosure document and not expressly defined shall be interpreted according to their general meaning and usage. The definitions are not exhaustive.
- They have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall also carry meanings assigned to them in regulations governing Portfolio Management Services.
- All references to the masculine shall include the feminine and all references, to the singular shall include the plural and vice-versa.
- All references "Rs." refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

3) Description about Portfolio Manager:

i) History, Present business and Background of the Portfolio Manager:

a) History of the Portfolio Manager:

"Vallum Capital Advisors Private Limited" has been founded by Mr. Manish Bhandari and Mr. Madhusudan Sarda. The company was incorporated on 16th August, 2010 under the Companies Act, 1956 [CIN: U67190MH2010PTC206628], having its registered office at Bungalow No. 36, Kalanagar Bandra East, Mumbai 400051, Maharashtra.

b) Present Business and Background:

The Company has obtained registration as a perpetual Portfolio Manager (Certificate of Registration No. INP000006961) from SEBI effective from 19th December 2019 till it is cancelled or suspended by the Board.

Also, Vallum Capital is a SEBI registered Investment Advisors **(INA000004054)** providing investment advisory services since 2016.

The company's main objective is to provide value-added services to its clients which align with the clients long term goals of wealth creation. The company also wishes to leverage its research capabilities to provide Portfolio Management Services to generate long term returns.

ii) Promoters and Directors of the Portfolio Manager:

Directors:

The Directors of the Company are as below:

- Mr. Manish Bhandari
- Mrs. Sunita Madhusudan Sarda

Vallum Capital has been founded by Mr. Manish Bhandari and Mr. Madhusudan Sarda.

➢ **Mr. Manish Bhandari**

Manish has two decades of experience in the Indian Capital Markets and has co-founded Vallum Capital, an investment management and advisory firm in 2010, advising Institutional, Family Offices and HNIs on Equities and Asset Allocations. Prior to founding Vallum, he has worked as a VP & Portfolio Manager (Equities) with ING Management in India for six years, managing and advising equity assets worth more than US$ 500 mn. He has featured in the program the Wizards of Dalal Street, Next generation promising Investment Manager of India for CNBC and is a regular contributor to various financial publications in India and abroad.

➢ **Mr. Madhusudan Sarda**

Madhusudan has almost two decades of experience in the Indian Capital Markets and co-founded Vallum Capital, an investment management and advisory firm in 2010. Prior to founding Vallum, he has worked as Director-Research and Equity Sales with Mehta Equities Ltd for ten years, researching and advising Institutional clients on Mid cap investing. He has completed BE (Chemical) in1998 and has worked with Atul Ltd.

iii) Top 10 Group Companies under the same Management:

There are no group companies under the same management as explained in the SEBI Circular No. RPM Circular No. 1 (2002-03).

iv) Details of Services Offered:

a) Discretionary Portfolio Management -

The portfolio account of the client is managed at the full discretion and liberty of the Portfolio Manager. Thus the choice and timing of investment rest solely with the Portfolio Manager. The portfolio managers' decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter except on the ground of mala fide, fraud, conflict of interest or gross negligence.

b) Non-discretionary Portfolio Management -

In the case of non-discretionary services, the investment objectives and the securities to be invested would be entirely decided by the Client. The same could vary widely from client to client. However, the execution would be carried out only after getting the approval from the Client.

Under the Non-Discretionary category, the investment decisions of the Portfolio Manager are guided by the instructions received from the client under an agreement executed between the portfolio manager and the client. The deployment of funds is the sole discretion of the client and is to be exercised by the portfolio manager in a manner strictly complies with the client's instruction. The decision of the client in the deployment of funds and the handling of his / her / its portfolio is absolute and final. The role of the Portfolio Manager apart from adhering to investments or divestments upon instructions of the client is restricted to providing market intelligence, research reports, trading strategies, trade statistics and such other material which will enable the client to take appropriate investment decisions. For the purpose of acting on the client's instructions, the Portfolio Manager shall take instructions in writing or through any other media mutually agreed such as email, fax, telephone or suitable and secured message and may include managing, renewing and reshuffling the portfolio, buying and selling of securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights, etc. so that all benefits accrue to the client's portfolio, for an agreed fee structure and for a definite described period, entirely at the client's risk.

c) Advisory Services –

The Portfolio client is given purely advisory services as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and for a period agreed and entirely at the client's risk. The Portfolio Manager shall act in a fiduciary capacity towards its client.

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

Sr. No.	Particulars	Remarks
1	All cases of penalties imposed by the Board or the directions issued by the Board under the Act or Rules or Regulations made thereunder	None
2	The nature of the penalty/direction	None
3	Any pending material litigation / legal proceedings against the portfolio manager / key personnel with separate disclosure regarding pending criminal cases, if any:	None

4	Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency:	None
5	Any inquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee under the Act or Rules or Regulations made thereunder:	None
6	Penalties imposed for any economic offense and/or violation of any securities laws	None

5) Services Offered

1. Investment objective:

The funds of the Clients shall be invested in such capital and money market instruments, including securities as defined under the Securities Contract (Regulation) Act, 1956, and shall include any securities, derivatives and other instruments which are tradable on any of Exchanges as wells such units of Unit Trust of India and / or other mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities, certificates of deposit, participation certificates, commercial paper, securitized debt instruments, investments in company deposits, bank deposits, treasury bills and such other eligible modes of investment and/or forms of deployment within the meaning of the Regulation issued by SEBI as amended from time to time.

The Portfolio Manager may, however, enter into futures contracts, options in securities, options on indices and other similar types of investment, which may result in the Client having to provide initial margin payments and which would be deemed. The Portfolio Manager shall observe a high standard of integrity and fair dealing in all transactions involving the Client's Account. The investment in the securities mentioned in the above point will be in accordance with the objectives as given in the agreement and also any of the product/plan categories accepted by the client.

The investment objectives would be one or more of the following or combination thereof:

a. To provide investment flexibility to the client across various market segments
b. To generate a good return on investments
c. To generate short term and/ or long term capital appreciation

The Portfolio Manager offers various investment strategies based portfolios to allow for standardized customization in sync with investor profile and also customized portfolio as per suitability and specific requirements of the client. The general objective is to formulate and device the investment philosophy to achieve long term growth of capital.

The objective of the Derivative Exposure: The objective to use derivatives is purely to protect the portfolio in case of a severe market correction. We seek to use derivatives purely to protect the client's portfolio in case of sharp drawdowns of the aggregate market. The Derivatives will only be used for hedging and/or portfolio rebalancing.

2. Types of Securities:

The portfolio manager/fund manager shall invest in all such types of securities as defined in above (Please refer to definitions) and in all such securities as permissible from time to time.

Consistent with the investment objective and subject to Regulations, the corpus will be invested in any of (but not exclusively) the following securities:

i. Equity and equity-related securities including convertible bonds (including equity-linked debentures) and debentures and warrants carrying the right to obtain equity shares;
ii. Securities issued/guaranteed by the Central, State Governments and local governments (including but not limited to coupon bearing bonds, zero coupon bonds, and treasury bills);
iii. Obligations of Banks (both public and private sector) and Development Financial Institutions like Certificate of Deposits (CDs), Coupon bearing Bonds, Zero Coupon Bonds;
iv. Money Market instruments permitted by SEBI/RBI;
v. Certificate of Deposits (CDs);
vi. Commercial Paper (CPs);
vii. Mutual Fund units, Fixed Deposits, Bonds, debentures etc.;
viii. Units of venture funds;
ix. Securitization instruments;
x. Foreign securities as permissible by Regulations from time to time;
xi. Any other securities and instruments as permitted by the Regulations from time to time.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals.

3. <u>Minimum Investment Amount:</u>

The Portfolio Manager will not accept an initial corpus of less than Rs. 50.00 lacs or such minimum amount as specified by SEBI from time to time. The client may on one or more instances or on a continual basis, make further placements of funds/securities under the services. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit.

4. <u>Investment Approach:</u>

1) Plan Name: Vallum Absolute Return Strategy

a) **Investment Objective:** To generate sustainable returns over medium to long term by making investments in equity, debt and commodities and linked instruments.

b) **Description of types of securities**: Under Vallum Absolute Return PMS, client money would primarily be invested in equities, debt, gold and units of Mutual Fund & Alternative Investment Funds by dynamically selecting asset classes based on a systematic model, and taking significantly less risk than equities and gold. Some part might be retained as bank balance in bank account.

c) **Basis of selection of such types of securities as part of the investment approach:** Investment strategy holds tactical asset allocation views based on a quant model of macroeconomics/asset class fundamentals. It aims to generate consistent absolute returns and outperform. Deployment strategy will be based on the combination of top down and bottom up approach for equities, EIC (Economy, Industry and Company) analysis for fixed income instruments and capital market expectations on all asset classes viz, equities, fixed income and alternatives.

d) Allocation of portfolio across types of securities:

Type of Securities	Allocation in portfolio
Equity and equity linked instruments	Up to 60%
Debt and Debt linked instruments	Up to 40%

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:** Nifty 50 Index & Crisil Bond Fund Index. Most of the portfolio company's fall in large-cap category based on market capitalization and rest investments are in debt funds. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty 50 Index & Crisil Bond Fund Index has been selected as the benchmarks for comparing performance.

f) **Indicative tenure or investment horizon:** 3 years – 20 years

g) **Risks associated with the investment approach:** The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

1. Investment in equities, debt, commodities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
2. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
5. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches

are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.

6. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
7. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
8. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
9. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
10. 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.
11. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
12. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
13. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in are investment risk.
14. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default 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 any actual event of default.
15. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.

16. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
17. Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
18. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
19. In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
20. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
21. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are:
    (i) Market Risk: Like any other equity investments, these are subject to market risk.
    (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss.
    (iii)Deviation from theoretical model: Aquant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behaviour. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
22. Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
23. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to 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.

24. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.
25. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
26. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
27. Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio 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. Trading in derivatives has the following risks: (i) an exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.
28. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.
29. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
30. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
31. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which

Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

h) Other Salient Features, if any: The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule C of the Discretionary PMS Agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

2) Plan Name: Vallum GARP Strategy

a) **Investment Objective:** To generate sustainable returns over medium to long term by making investments which primarily consist of equity and equity linked securities.

b) **Description of types of securities**: Under Vallum GARP Strategy PMS, client money would primarily be invested in equity shares and equity linked instruments issued by companies which are listed. Some part of client money might also be invested in units of money market, ETF's and liquid funds and some part might be retained as bank balance in bank account.

c) **Basis of selection of such types of securities as part of the investment approach:** Investment strategy is based on generating returns by investing in equity of companies which have a proven track record of above average growth in revenues: GARP style and have a trend of increasing return on capital employed. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India or Abroad. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

d) Allocation of portfolio across types of securities:

Type of Securities	Allocation in portfolio
Equity and equity linked instruments	Up to 98%
Money market funds / Liquid funds / Bank balance	Up to 30%

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:** BSE MidCap Index. Most of the portfolio companies fall in mid-cap category based on market capitalization. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, BSE MidCap Index has been selected as the benchmark for comparing performance.

f) **Indicative tenure or investment horizon:** 3 years – 20 years.

g) **Risks associated with the investment approach:** The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

1. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
2. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
5. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
6. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
7. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
8. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
9. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks in here to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
10. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
11. 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.

12. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
13. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
14. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in are investment risk.
15. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default 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 any actual event of default.
16. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
17. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
18. Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
19. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
20. In case of investments in mutual fund, the Client bears the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
21. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.

22. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are:
    (i) Market Risk: Like any other equity investments, these are subject to market risk.
    (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss.
    (iii)Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
23. Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
24. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to 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.
25. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned:
    (i) The promoter may choose not to accept the discovered prices
    (ii) Regulatory hurdles may delay any specific corporate action.
26. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
27. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
28. Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio 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. Trading in derivatives has the following risks:
(i) An exposure to Derivatives in excess of the hedging requirements can lead to losses.
(ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
(iii) Derivatives carry the risk of adverse changes in the market price.
(iv)Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

29. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.
30. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
31. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
32. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

h) **Other Salient Features, if any**: The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule C of the Discretionary PMS Agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

3) Plan Name: Vallum India Discovery Strategy

a) **Investment Objective:** To generate sustainable returns over medium to long term by making investments which primarily consist of equity and equity linked securities.

b) **Description of types of securities**: Under Vallum India Discovery Strategy PMS, client money would primarily be invested in large Cap and mid cap equity shares and equity linked instruments issued by companies which are listed. Some part of client money might also be invested in units of money market, ETF's and liquid funds and some part might be retained as bank balance in bank account.

c) **Basis of selection of such types of securities as part of the investment approach:** Investment strategy is based on generating returns by investing in equity of companies based on factors like Value, quality and safety. Portfolio is constructed using a fundamental factor model for market timing, stock and sector selection.

d) Allocation of portfolio across types of securities:

Type of Securities	Allocation in portfolio
Equity and equity linked instruments	Up to 100%
Debt and Debt linked instruments	Up to 100%

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:** BSE MidCap Index. Most of the portfolio companies fall in mid-cap category based on market capitalization. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, BSE MidCap Index has been selected as the benchmark for comparing performance.

f) **Indicative tenure or investment horizon:** 3 years – 20 years.

g) **Risks associated with the investment approach:** The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

1. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
2. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
5. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
6. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
7. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

8. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
9. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks in here to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
10. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
11. 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.
12. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
13. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
14. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in are investment risk.
15. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default 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 any actual event of default.
16. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
17. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line

with the performance of the reference index or one or more Securities covered and/or included in the reference index.

18. Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
19. Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
20. In case of investments in mutual fund, the Client bears the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
21. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
22. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are:

    (i) Market Risk: Like any other equity investments, these are subject to market risk.

    (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss.

    (iii)Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
23. Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
24. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to 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.
25. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned:

    (i) The promoter may choose not to accept the discovered prices

    (ii) Regulatory hurdles may delay any specific corporate action.
26. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the

normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

27. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
28. Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio 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. Trading in derivatives has the following risks:
    (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses.
    (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
    (iii) Derivatives carry the risk of adverse changes in the market price.
    (iv)Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.
29. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.
30. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
31. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
32. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

h) **Other Salient Features, if any**: The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule C of the Discretionary PMS Agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

4) Plan Name: Vallum Customized Family Office Strategy

a) **Investment Objective:** To generate positive absolute returns by investing in equities, fixed income and other asset classes based on the clients customized risk profile.

b) **Description of types of securities**: Under Vallum Customized Family Office Strategy PMS, client money would primarily be invested in equity shares and fixed income. Some part of client money might also be invested in units of money market, ETF's and liquid funds and some part might be retained as bank balance in bank account.

c) **Basis of selection of such types of securities as part of the investment approach:** Investment strategy is based on generating returns by investing in equity, debt and other asset classes customized in accordance with the risk profile: Customized family office style have a trend of increasing return on capital employed. Hence, under this investment approach, investments are primarily made in equity shares and debt instruments issued by companies. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.

d) Allocation of portfolio across types of securities:

Type of Securities	**Allocation in portfolio**
Equity and equity linked instruments	Up to 100%
Debt and Debt linked instruments	Up to 100%

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:** Nifty 50. Most of the portfolio companies fall in large-cap category based on market capitalisation. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty - 50 Index has been selected as the benchmark for comparing performance.

f) **Indicative tenure or investment horizon:** 3 years – 20 years

g) **Risks associated with the investment approach:** The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

1. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
2. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
5. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
6. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
7. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
8. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
9. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks in here to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
10. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
11. 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.

12. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
13. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
14. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in are investment risk.
15. Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default 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 any actual event of default.
16. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
17. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
18. Risks pertaining to investments in Gold ETF’s will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
19. Currency Exchange Rate Risk: The Client’s portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client’s portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client’s Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client’s portfolio may not correspond with the Securities positions held.
20. In case of investments in mutual fund, the Client bears the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
21. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
22. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are:

(i) Market Risk: Like any other equity investments, these are subject to market risk.

(ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss.

(iii)Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.

23. Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
24. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to 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.
25. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned:

    (i) The promoter may choose not to accept the discovered prices

    (ii) Regulatory hurdles may delay any specific corporate action.
26. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
27. Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
28. Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio 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. Trading in derivatives has the following risks:

(i) An exposure to Derivatives in excess of the hedging requirements can lead to losses.
(ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
(iii) Derivatives carry the risk of adverse changes in the market price.
(iv)Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

29. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.
30. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
31. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
32. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

h) **Other Salient Features, if any:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule C of the Discretionary PMS Agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

5) Plan Name: Vallum Focused Small Cap Strategy

a) **Investment Objective:** To generate sustainable returns over medium to long term by making investments which primarily consist of equity and equity linked securities which offer wealth creation opportunities at reasonable price/valuation.

b) **Description of types of securities**: Under Vallum Focused Small Cap Strategy PMS, client money would primarily be invested in equity shares and equity linked instruments at reasonable price/valuations issued by companies which are listed. Some part of client money might also be invested in units of money market, ETF's and liquid funds and some part might be retained as bank balance in bank account. The Portfolio Manager may invest in derivatives or any other instrument as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time including Units of Schemes of Mutual Funds the Portfolio Manager may also participate in the Securities Lending Scheme.

c) **Basis of selection of such types of securities as part of the investment approach:** Investment strategy is based on companies that offer long-term business growth through sustainable competitive advantage, promoter integrity and capabilities, strong correlation between cash Flows and profits etc., executed through a well-defined model portfolio. The model portfolio, in turn, is fine-tuned from time to time keeping in view additional attributes such as strong incremental returns on capital, quality of earnings, reasonable valuations etc.

d) Allocation of portfolio across types of securities:

Type of Securities	Allocation in portfolio
Equity and equity linked instruments	Up to 100%
Debt and Debt linked instruments	Up to 100%
Cash	Up to 100%

e) **Appropriate benchmark to compare performance and basis for choice of benchmark:** Nifty 250 Small-cap Index. Most of the portfolio companies fall in small-cap category based on market capitalisation. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty 250 Small-Cap Index has been selected as the benchmark for comparing performance

f) **Indicative tenure or investment horizon:** 3 years – 20 years

g) **Risks associated with the investment approach:** The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

1. Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
2. As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
3. The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
4. The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
5. The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
6. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

7. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
8. Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks in here to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
9. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
10. 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.
11. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
12. There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
13. Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in are investment risk.
14. The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
15. Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
16. In case of investments in mutual fund, the Client bears the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.

17. After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
18. Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are:
    (i) Market Risk: Like any other equity investments, these are subject to market risk.
    (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss.
    (iii)Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behavior. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
19. Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to 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.
20. Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned:
    (i) The promoter may choose not to accept the discovered prices
    (ii) Regulatory hurdles may delay any specific corporate action.
21. Risk arising out of non-diversification: The investment objectives of one or more of the portfolio management Offerings / Options could result into concentration on a specific asset/ asset class/sector/ issuer etc., which could lead to non-diversified portfolio which tends to be more volatile than diversified portfolio.
22. Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
23. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
24. Risk factors associated with 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 the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio 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. Trading in derivatives has the following risks:
(i) An exposure to Derivatives in excess of the hedging requirements can lead to losses.
(ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
(iii) Derivatives carry the risk of adverse changes in the market price.
(iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.

25. The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable. Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio.
26. Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
27. Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

h) **Other Salient Features, if any:** The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as negative security in Schedule C of the Discretionary PMS Agreement and the Portfolio Manager would be barred from using derivatives in the client's portfolio.

5. <u>Investments in Group/Associate Companies of the Portfolio Manager:</u>

Vallum does not intend to invest in any of its associates or group companies.

6) <u>Risk Factors</u>:

1) Investments in securities are subject to market risks and include price fluctuation risks. There are no assurances or guarantees that the objectives of investments in securities will be achieved. These investments may not be suited to all categories of investors.
2) The value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as de-listing of Securities, market closure, the relatively small number of scrips accounting for the large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.
3) The past performance of the Portfolio Manager is not indicative of future performance. Investors are not being offered any guaranteed or indicative returns.

4) The Client stands a risk of loss due to lack of adequate external systems for transferring, pricing, accounting, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, physical and Demat, in the Portfolio Manager's name, while price risk may arise on account of availability of share price from stock exchanges during the day and at the close of the day.
5) Investment decisions made by the Portfolio Manager may not always be profitable.
6) Investments made by the Portfolio Manager are subject to risks arising from the investment objective, investment strategy, and asset allocation.
7) Not meeting the obligation to make Capital Contributions in terms of the Agreement may have implications as set out in the Agreement and may also impact the profitability of the Portfolio.
8) Equity and Equity Related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments. While the Portfolio Manager shall take all reasonable steps to invest the Funds in a prudent manner in such instruments, such decisions may not always prove to be profitable or correct. Consequently, the Client shall assume any loss arising from such decisions made by the Portfolio Manager.
9) Macro-Economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monitory or fiscal policies, changes in government policies and regulations with regard to industry and exports may have a direct or indirect impact on the investments, and consequently the growth of the Portfolio.
10) Liquidity Risk: Liquidity of investments in equity and equity-related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market securities, while fairly liquid, lack a well develop the secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult. Further, different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the plan are un-invested and no return is earned thereon. The inability of the Portfolio Manager to make intended Securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities.
11) Credit Risk: Debt securities are subject to the risk of the issuer's inability to meet the principal and interest payments on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the creditworthiness of the issuer and general market risk.
12) Interest Rate Risk: Is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investments will appreciate/ depreciate if the interest rates fall/rise. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when the interest rate rises, the value of a portfolio of fixed income securities can be expected to decline.
13) Acts of State, or sovereign action, acts of nature, acts of war, civil disturbance are extraneous factors which can impact the Portfolio.
14) The Client stands the risk of total loss of value of an asset which forms part of the Portfolio or its recovery only through an expensive legal process due to various factors which by

way of illustration include default or non-performance of a third party, investee company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

15) Reinvestment Risk: This risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. This is because the bond will pay coupons, which will have to be reinvested. The rate at which the coupons will be reinvested will depend upon prevailing market rates at the time the coupons are received.
16) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. As mentioned above, the Portfolio Manager will attempt to maintain a diversified Portfolio in order to minimize this risk.
17) Mutual Fund Risk: This risk arises from investing in units of Mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. Further, scheme specific risk factors of each such underlying scheme, including the performance of their underlying stocks, derivatives instruments, stock lending, off-shore investments etc., will be applicable in the case of investments in mutual fund units. In addition, events like a change in fund manager of the scheme, take over, mergers and other changes in status and constitution of mutual funds, foreclosure of schemes or plans, change in government policies could affect the performance of the investment in mutual fund units.
18) The Portfolio Manager is neither responsible nor liable for any losses resulting from the Services.
19) Clients are not being offered any guaranteed/assured returns.
20) The investments under the Portfolio may be concentrated towards equity/equity related instruments of companies primarily belonging to a single or few sectors and hence shall be affected by risks associated with those sectors.
21) The Clients may not be able to avail of securities transaction tax credit benefit and/or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients. The Client may incur a higher rate of TDS/ Dividend Distribution Tax in case the investments are aggregated in the name of the Portfolio Management Portfolio/Product.
22) The arrangement of pooling of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961and taxed accordingly.
23) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.
24) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Clients may suffer opportunity loss.
25) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.
26) In case of early termination of the Agreement, where Client Securities are reverted to the Client, additional rights available while the Securities were held as part of the Portfolio that was negotiated by the Portfolio Manager with an investee company or its shareholders may no longer be available to the Client.
27) Changes in Applicable Law may impact the performance of the Portfolio.
28) Derivative transactions may be prone to problems of liquidity, mispricing, lack of or improper correlation with assets or such other reasons.
29) Derivative transactions require maintenance of margins, adequate control mechanisms forecasting ability, etc.

30) Risks pertaining to stock lending: In the case of stock lending, risks related to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, the inadequacy of the collateral and settlement risks.
31) Risk arising out of non-diversification, if any.
32) Specific Risk Disclosures associated with investments in Securitised Debt Instruments
    a) Presently, the secondary market for such securitized papers is not very liquid. This could limit the ability of the portfolio manager to resell them. Even if sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
    b) Securitized transactions are normally backed by a pool of receivables and credit enhancement as stipulated by the rating agency, which differs from issue to issue. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall.
33) Specific risk and disclosures associated with investment in Structured Products like Index Linked Debentures
    - The Structured Products like Index linked - Non-Convertible Debentures may lead to a portion of the funds being deployed in the derivatives markets including in the purchase of options. These investments are high risk, high return as they may be highly leveraged. A small movement in the underlying index could have a large impact on their value and may result in a loss.
    - The Issuer of Equity index-linked debentures or any of its Agents, from time to time may have long or short positions or make markets including in indices, futures, and options. The value of these Debentures invested into on behalf of clients could be adversely impacted by a price movement in the above securities.
    - The Structured Products, even after being listed, may not have a market at all;
    - The returns on the Structured Products, including those linked to the may be lower than prevailing market interest rates or even zero or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the Debentures. Consequently, the Debenture holder may receive no income/return at all or negative income/return on the Debentures, or less income/return than the Debenture holder may have expected, or obtained by investing elsewhere or in similar investments.
    - In the case of Equity Index-Linked Debentures, in the event of any discretions need to be exercised, in relation to method and manner of any of the computations including due to any disruptions in any of the financial markets or for any other reason, the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach may be at the discretion of the by the issuer and may include the use of estimates and approximations.
    - At any time during the life of such Structured Products, the value of the Debentures may be substantially less than its redemption value. Further, the price of the Debentures may go down in case the credit rating of the Issuer goes down;
    - The return and/or maturity proceeds hereon may not be guaranteed or insured in any manner by The Issuer of Structured Products.

7) Client Representation:

a) Details of client's accounts active:

As on 31st July 2020

Since business has not been started on the date of this Disclosure document, the same is not applicable.

Sr. No.	Category of clients	No. of clients	Funds managed (amt in Rs. Lakhs)	Discretionary/ Non-Discretionary*(if available)*
i)	**Associates/group companies**			
	- Individual - Corporate	N.A. N.A.	N.A. N.A.	N.A. N.A.
	Subtotal (i)	-	-	-
ii)	**Others:**			
	- Individual - Corporate	N.A. N.A.	N.A. N.A.	N.A. N.A.
	Subtotal (ii)	-	-	-
	TOTAL (i) + (ii)	-	-	-

b) Complete Disclosure in respect of transactions with related parties as per the Accounting standards specified by the Institute of Chartered Accountants of India:

No Transaction has been done with related party for the year ended 31st March 2020. Hence the same is not applicable.

8) The Financial Performance of Portfolio Manager:

8.1 Capital Structure (Rs. in lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31-Mar-2020 (Unaudited)
a) Paid-up capital	11.00	21.00	21.00	21.00
b) Free reserves (excluding re-valuation reserves)	108.97	325.47	382.87	516.23
c) Total (a) + (b)	**119.97**	**346.47**	**403.87**	**537.23**

8.2 Deployment of Resources (Rs. in lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31-Mar-2020 (Unaudited)
(a) Fixed Assets	0.00	0.00	0.00	0.00
(b) Plant & Machinery & Office Equipment's	1.36	3.00	1.52	1.52
(c) Investments	0.00	30.10	27.10	27.10
(d) Others	250.86	405.27	765.92	577.38
Total	**252.22**	**438.37**	**794.54**	**606.00**

8.3 Major Sources of Income: (Rs. in lakhs)

Particulars	As on 31-Mar-2017	As on 31-Mar-2018	As on 31-Mar-2019	As on 31-Mar-2020

				(Unaudited)
• Revenue from Operations	233.40	423.59	424.19	391.22
• Other Income	9.66	11.23	43.30	54.48
Total	**243.06**	**434.82**	**467.49**	**445.7**

8.4 Net Profit (Rs. In lakhs)

Particulars	**As on 31-Mar-2017**	**As on 31-Mar-2018**	**As on 31-Mar-2019**	**As on 31-Mar-2020 (Unaudited)**
Profit Before Tax	125.28	137.57	97.49	133.37
Profit After Tax	84.29	91.07	67.68	100.02

9) <u>Performance of the Portfolio Manager for the last 3 years:</u>

In the performance/returns table below, please note the following:

I. Performance/returns are calculated using the "Time Weighted Rate of Return" method in terms of Regulation 22 of SEBI (Portfolio Managers) Regulations 2020.

II. Returns are net of all fees and expenses.

Since this is the first year of registration, the same is not applicable.

Particulars	**Year Ended (2020-19)**	**Year Ended (2019-18)**	**Year Ended (2018-17)**
Portfolio Performance(%), Net of all fees and Charges levied by the Portfolio Manager **Vallum Absolute Return Fund** **Vallum GARP Strategy** **Vallum India Discovery Strategy** **Vallum Customized Family Office Strategy** **Vallum Focused Small Cap Strategy**	N.A.	N.A.	N.A.
Benchmark Performance **- Nifty 50 Index & Crisil Bond Fund Index** **- BSE MidCap Index** **- BSE MidCap Index** **- Nifty 50 Index** **- Nifty 250 Small-cap Index**	N.A.	N.A.	N.A.

10) <u>Audit Observation:</u>

There are no observations made by the statutory auditor of the Portfolio Manager for the preceding three financial years FY 2016-17, FY 2017-18, and FY 2018-19.

11) <u>Fees and Services Charged (To be based on actuals):</u>

1. **<u>Investment Management Fee i.e.</u>** Fixed Fees charged as agreed with the client wide terms and conditions mentioned in the agreement relating to the Portfolio Management Services offered to the Clients.

2. **<u>Performance Management Fee i.e.</u>** A performance fees based on profit slabs provided in the portfolio agreement is charged as agreed with the client vide terms and conditions mentioned in the agreement. Performance fees will be charged on the performance over the hurdle rate, management fee and any costs of trading. It shall be computed on the basis of high water mark principle over the life of the investment for charging of performance/profit sharing fees.

   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.

   The portfolio manager shall charge performance based fee only on increase in portfolio value in excess of the previously achieved high water mark.

3. **<u>Exit Load:</u>**
   Exit Load will be charged to the Client as per below mentioned slabs:
   a. In the first year of investment, maximum of 3% of the amount redeemed;
   b. In the second year of investment, maximum of 2% of the amount redeemed;
   c. In the third year of investment, maximum of 1% of the amount redeemed;

   After a period of three years from the date of the investment, no exit load will be charged to the Clients.

4. The fees charged to the client for PMS Service comes under “Fees for technical services” under Sec 194J of the Income Tax Act 1961. This section calls for withholding tax on the fees that the client pays to the portfolio manager if he or she falls under
   - An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.
   - Corporates.

5. **<u>Custodian fee / Depository Charges& Fund Accounting Charges</u>:** Charges relating to custody and transfer of shares, bonds, and units, opening and operation of demat account, dematerialization and rematerialization, and/or any other charges in respect of the investment etc. The actual fees levied by the custodian for custody, demat charges and fund accounting shall be charged to the client as mentioned in the agreement with the client and as agreed between the Portfolio Manager and the Custodian from time to time.

6. **<u>Registration and transfer agents' fees</u>:** Fees payable for the Registrars and Transfer Agents in connection with effecting the transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps, and courier charges.

7. **<u>Brokerage, transaction costs, and other services</u>:** The brokerage and other charges like stamp duty, transaction cost and statutory levies such as GST, securities transaction tax, turnover fees, and such other levies as may be imposed upon from time to time.

8. **Fees and charges in respect of investment in mutual funds:** Mutual Funds shall be recovering expenses or management fees and other incidental expenses and such fees and charges shall be paid to the Asset Management Company of the Mutual Funds on behalf of the Client. Such fees and charges are in addition to the portfolio Management fees described above.

9. **Certification charges or professional charges:** The charges are payable to professional services like accounting, taxation, certification and any other legal services, etc.

10. **Securities lending and borrowing charges:** The charges pertaining to the lending of securities, costs of borrowings and costs associated with the transfer of securities connected with the lending and borrowing transfer operations.

11. **Any incidental and ancillary out of pocket expenses:** All incidental and ancillary expenses not recovered above but incurred by the Portfolio Manager on behalf of the client shall be charged to the Client.

12. The portfolio manager shall deduct directly from the cash account of the client all the fees/costs specified above. Other expenses, which could be attributable to the Portfolio Management, would also be directly deducted and the client would be sent a statement about the same.

13. The fee so charged may be a fixed fee or performance-based fee or a combination of both as agreed in the agreement.

Note: All the Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM). It shall include charges payable for outsourced professional services like accounting, auditing, taxation and legal services etc. for documentation, notarizations, certifications, attestations required by Bankers or regulatory authorities including legal fees and day-to-day operations charges etc.

12) Taxation:

The following information is based on the law in force in India at the date hereof. This information is neither a complete disclosure of every material fact of the Income-tax Act, 1961 nor does constitute tax or legal advice. This information is based on the Portfolio Manager's understanding of the Tax Laws as of this date of Disclosure Document. Investors / clients should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. In view of the individual nature of the tax consequences, each investor / client is advised to consult his/ her/its own professional tax advisor. The information/data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy and should not be construed as investment advice.

Income on Investment in Securities is subject to tax in the following manner:

a) Dividends declared, distributed or paid on or after April 1, 2003, by domestic companies will be exempt in the hands of the shareholder recipient but a tax on distributed profits at applicable rates will be payable by the domestic company. However, as per Finance Act 2016, sanctioned by the parliament, from Assessment year 2017-18 in addition to Dividend Distribution Tax (DDT) paid by the companies, tax at the rate of 10% of gross amount of dividend will be payable by the recipients i.e. shareholders being individuals, HUFs and firms receiving dividend in excess of Rs 10 lakh per annum.

b) Interests on Investment are taxable except in certain cases where it is exempted from tax under Income Tax Act 1961.

c) In case the securities are sold within one year (for listed securities except for units other than units of equity oriented mutual funds) or within two years (for unlisted securities) from the date of purchase, the resultant gains or losses are termed as short term capital gains or losses. Short term gains arising out of transfer of equity shares if the securities are sold on a recognized stock exchange in India and on which securities transaction tax has been paid are taxed at a concessional rate of 15% (as increased by surcharge plus education cess), in other cases they would be taxed at the slab rate applicable to the respective PMS client type.

In case the securities are sold after one year (for listed securities) or two years (for unlisted securities) and three years for units other than units of equity oriented mutual funds from the date of purchase, the resultant gains or losses are termed as long term capital gains or losses and the gain is arising out of transfer of equity shares which are sold on a recognized stock exchange in India and on which securities transaction tax has been paid would be taxed at 10% (as increased by surcharge plus education cess) in case of listed securities and 20% (as increased by surcharge plus education cess) in case of unlisted securities and units other than units of equity oriented mutual funds.

From A.Y. 2019-20, Long Term capital gain (where STT is paid) in excess of Rs. 1 Lakh will be chargeable at the rate of 10% and on the balance amount of the total income, the tax will be computed as if it were the total income of the assessee.

Note: "Listed Securities" as defined under the explanation to section 112(1) of Income Tax Act, means the securities as defined in clause 2(h) of Securities Contract (Regulations) Act, 1956 and listed on any recognized stock exchange in India.

"Unlisted Securities" means securities other than listed securities.

"Units" shall have the meaning assigned to it in clause (b) of explanation to section 115AB of Income Tax Act, 1961.

The following are the tax provisions presently applicable to clients investing in the Portfolio Management Products under the Income Tax Act, 1961.

Tax on Long Term Capital Gain:
If the capital asset, which is transferred, is equity share or units of equity oriented mutual funds and the transaction is subject to Securities Transaction Tax, the Long Term Capital Gain in excess of Rs. 1 Lakh is chargeable to tax @ 10%.

In other cases, the tax will be calculated as follows:

Capital Asset	If it is not subject to Securities Transaction Tax		
	Long Term		Short Term
	Without Indexation	With Indexation	
1.Debenture Listed	10 %	Not Applicable	Normal
2.Debenture Non-Listed	20 %	Not Applicable	Normal
3.Government Securities	10 %	20 %	Normal
4. Bonds Listed	10%	Not Applicable	Normal

5. Bonds Non Listed	20%	Not Applicable	Normal

TDS
If any tax is required to be withheld on account of any future legislation, the portfolio manager shall be obliged to act in accordance with the regulatory requirements in this regard. Interest would be subject to tax as per prevailing provisions of the Income Tax Act, 1961.

Advance Tax Obligations
It shall be the client's responsibility to meet the advance tax obligations payable on the due dates as per the Income Tax Act, 1961.

Provisions of Income Tax Act 1961, undergoes change frequently and is also based on the status of the client, thus the client is advised to consult his/her tax consultant for appropriate advice on the tax treatment of income indicated herein.

The fees charged to the client for PMS come under the ambit of "fees for technical services" under Section 194J of the Income Tax Act, 1961("the Act"). As the section calls for withholding tax, the client is required to withhold tax @ 10 % excluding service tax, on the fees that the client pays to the Portfolio Manager if he/shefalls under the following two categories:

a) An Individual / HUF whose total sales / gross receipt or turnover from business or profession carried on by him exceed the monetary limit specified under clause (a) or clause (b) of Sec. 44AB during the previous year immediately preceding the financial year.

In respect to the above TDS provision please note that in the Act No 23 of Finance Act, 2019 a new section i.e 194M has been inserted with effect from 01.09.2019 which specifies that:

Any Person being individual or a Hindu undivided family other those required to deduct income tax as per the provision of section 194J mentioned in (a) above shall at the time of credit of such sum or at the time of payment of such sum in cash or by issue of cheque or draft or by any other mode whichever is earlier, deduct an amount equal to five percent of such sum as income tax thereon if aggregate of sum, credited or paid to a resident during the financial year exceeds fifty lakh rupees.

b) Corporate/ Partnership Firms / LLP
This implies, the Client (as mentioned in point 'a' and 'b' above) while making payment of the fees would deduct tax at Source. The taxes payable on any transactions entered into or undertaken by the Portfolio Manager on behalf of the client, whether by way of deduction withholding, payment or other, shall be fully borne by the client. Payment of the tax shall be the personal responsibility and liability of the client. In case the client deducts and pay the withholding tax, the client shall provide Tax Deduction Certificate in Form No. 16A as prescribed under the Income Tax Rules, 1962 to the Portfolio Manager within 30 days from the date of filing return or due date of filing TDS Return for the quarter whichever is earlier. The Portfolio Manager is not by law, contract or otherwise required to discharge any obligation on behalf of the client to pay any taxes payable by the clients.

13) Accounting Policies:

1. **Basis of accounting**
   a. Books and Records for each product is separately maintained in the Back-office software (with Fund Accountant) in the name of the client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided by the SEBI (Portfolio Management) Regulations, 2020, and SEBI (Investment Advisers) Regulations, 2013 as amended from time to time.
   b. Accounting under the respective portfolios is done in accordance with Generally Accepted Accounting Principles except with Point (a) of Income/Expenses.
   c. Transactions for purchase and sale of investments are recognized as of the trade date. In determining the holding cost of investments and the gain or loss on sale of investment, the first-in-first-out method is followed. The same is done at the product level. The cost of the investments acquired or purchased would include brokerage, stamp charges, and any charges customarily included in the broker's contract note or levy by any statue except STT (Securities Transaction Tax). Securities Transaction Tax incurred on buying and selling of securities is charged to revenue account.
   d. Realized Gains/Losses are calculated by applying the First in/ First Out method.
   e. Where eligible securities have been received from the client towards corpus, the closing market value of the previous day of activation of account/receipt of securities (in case of the additional corpus) is considered as a capital contribution and deemed to be the cost of investments for the purpose of tracking performance.
   f. For derivatives and futures and options, unrealised gains and losses will be calculated by marking to market the open positions.
   g. Unrealised gains/losses are the differences in between the current market values/NAV and the historical cost of the securities.

2. **Income/expenses**
   a. All investment income and Expenses are accounted on accrual basis except Custodian, Fund Accounting, audit fees & Depository charges which are accounted on cash basis.
   b. The dividend is accrued on the Ex-date of the securities and the same is reflected in the clients' books on the ex-date.
   c. Similarly, bonus shares are accrued on the ex-date of the securities and the same are reflected in the clients' books on ex-date.
   d. In case of fixed income instruments, purchased/sold at Cum-interest rates, the interest component up to the date of purchase/sale is taken to interest receivable/payable account.
   e. Further, Mutual Fund dividend shall be accounted on receipt basis.

3. Books of accounts would be separately maintained in the name of the client as are necessary to account for the assets and any additions, income, receipts and disbursements in connection therewith as provided under SEBI (Portfolio Managers) Regulations, 2020.

4. **Audit**
   a. The Portfolio accounts of the Portfolio Manager shall be audited annually by an independent chartered accountant and a copy of the certificate issued by the chartered accountant shall be given to the client.
   b. The client may appoint a chartered accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such chartered accountant in course of the audit.

The Accounting Policies and Standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

14) Agreement:

1. The Portfolio Manager before taking up an assignment of management of funds or portfolio of securities on behalf of the client, enters into an agreement in writing with such client clearly defining the inter se relationship and setting out their mutual rights liabilities and obligations relating to the management of funds or portfolio of securities, containing such details as per the regulations.
2. The money or securities accepted by the portfolio Manager shall not be invested or managed by the Portfolio Manager except as mentioned in terms of the agreement between the Portfolio Manager and the client.
3. The Portfolio Manager shall not change any terms of the agreement without prior written consent of the client.
4. Generally, The term of the PMS Agreement shall initially be for a period of one year from the Activation Date (“Term”) or longer if agreed mutually and, unless terminated by either Party in accordance with the terms of the PMS Agreement, shall be deemed to be automatically renewed from the next day of date of expiry of the Term on the such terms and conditions as may be mutually agreed upon by the Parties in writing, till any further communication by either of the party to terminate the same. The Client shall be entitled to terminate the PMS Agreement before the expiry of the term according to with the terms/clauses specified in the said agreement.

15) Rights and Liabilities of the Client:

1. **Rights**:
    a. The client has a right to obtain a copy of the Disclosure Document prior to signing the agreement.
    b. Client shall obtain reports for a period not exceeding six months containing details as specified in regulation 31(1) and as agreed in the agreement with the portfolio manager except for the auditor’s report which shall be submitted annually.
    c. The portfolio manager shall provide to the client with a transaction statement once in a quarter or as stated in the agreement with the client.
    d. The client will be provided a statement reflecting portfolio status and a statement of profit and loss on a quarterly basis.

2. **Liabilities & Duties**
    a. The liability of the client shall be to the extent of his investments.
    b. The client shall maintain utmost secrecy with regard to investment made by the Portfolio Manager on its behalf. In no case shall the Client replicate for its or for the benefits of others, the investments made by the Portfolio Manager.
    c. The client shall disclose to the Portfolio Manager from time to time whether it is privy to price sensitive information, such that a conflict of interest may arise where the Portfolio Manager to buy Securities on behalf of the Client.
    d. The Client shall pay the agreed fees at the agreed times to the Portfolio Manager in the manner as provided in the agreement.
    e. The Client shall not directly dispose of or acquire any Securities held in the portfolio, except as agreed by the Portfolio Manager. The Custodian appointed under the Custodian Agreement shall not be authorized to accept the instructions directly from the client. The Client shall not issue any direct instructions to the Custodian or the broker in this respect. In case the client issues any instructions directly to the Custodian or the broker, the Portfolio manager shall not be responsible for any loss or claim or damage arising there

from. In any such case, in respect of any sale, the sale proceeds shall be made over by the Client to the Portfolio Manager as part of the investible funds and in case of any purchase, the client shall make payment directly to the Seller.

f. The Client shall within seven days notify the Portfolio Manager if it notices any discrepancies or shortfalls in the Custodian holding statement. In case the Client does not notify the Portfolio Manager of any discrepancies or shortfalls in the Custodian holding statement the same shall be deemed to be correct.

g. The Client shall plan and pay any tax (long term or short term capital gains, income tax etc.)and other governmental liabilities that may arise as a consequence of the portfolio transactions on its account. The Portfolio manager shall during its meeting with the Client be available to help the Client plan its tax outflows. However, it should be clearly understood that tax considerations should not be allowed to supersede investment decisions even though the Portfolio Manager recognizes the desirability post tax returns.

h. The Client shall render all possible assistance, and provide requisite information for the purpose of assisting the Portfolio Manager in determining, evaluating and investing the available funds of the Client. The Client shall also immediately provide to the Portfolio Manager any information in respect to the investments or possible investments as may be available with it.

i. The Client agrees that the investments made by the Portfolio Manager shall be at the sole discretion, judgment and opinion of the Portfolio Manager in case of discretionary portfolio management service.

16) Rights, Duties and Liabilities of the Portfolio Manager

1. The Portfolio Manager shall act in fiduciary capacity with regard to the Client's funds. It shall not derive any benefit from the Client's funds or Securities purchased for the Client and shall strive to safeguard the Client's interests to the best of its ability at all times.
2. The Portfolio Manager shall provide the Client with a formal Portfolio Valuation Statement. The Portfolio Manager shall make itself available for consultation with the Client at least once every six months.
3. The Portfolio Manager shall ensure proper and timely handling of complaints from the Clients and take appropriate action immediately.
4. The Portfolio Manager will make best efforts to safeguard the Client's interests with regard to dealings with capital market intermediaries such as brokers, custodians, bankers etc. Any contract or understanding arrived at by the Portfolio Manager with any such intermediary shall be strictly on behalf of the Client, and the Portfolio Manager shall not be responsible for the due performance of the contract or understanding by the intermediary.
5. The Portfolio Manager shall on a best effort basis, assist the Custodian in attending to the complaints of the Client in respect of the non-receipt of dividends, bonus shares, interest, receipt of entitlements and subscription of right shares, transfer of shares and the like. However, the responsibility and liability in respect of the aforesaid shall be entirely that of the Custodian.
6. The Portfolio Manager:
   a. Shall not trade on margin or on a speculative basis on behalf of the Client. All transaction shall be on delivery basis.
   b. Shall not pledge or give on loan securities held on behalf of Client to a third person without obtaining a written permission from the Client.
   c. The portfolio manager can also invest funds of his clients in derivatives or as specified in the contract but will not leverage portfolio in respect of investment in derivatives.

7. The Portfolio Manager shall furnish the following reports periodically to the Client (not exceeding a period of three months and as and when required by the client). Such report shall contain the following details namely.
    a. Report on the composition and value of the portfolio, description of securities, number of securities, value of each security held in the portfolio, cash balance, aggregate value of the Portfolio, interest accrued etc. as on the date of the report.
    b. Report on transactions undertaken during the period of report including date of transaction and details of purchases and sales.
    c. Report on beneficial interest received during that period in respect of interest, dividend, bonus shares, rights shares and debentures.
    d. Report on expenses incurred in managing the portfolio.
    e. Details of risk foreseen by the Portfolio Manager and the risk relating to the Securities recommended by the Portfolio Manager for investment.
    f. Default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any.
    g. Details of commission paid to Distributor(s) for the particular client.

8. The Portfolio Manager shall, ordinarily purchase or sell securities separately for each Client. However, in the event of aggregation of purchases or sales for economy of scale, allocation shall be done on a pro-rata basis at the weighted average price of the day's transactions. The Portfolio Manager shall not keep any open position in respect of allocation of sales or purchases affected in a day.

17) <u>Termination of Agreement:</u>

1. Notwithstanding anything contained above, the funds or securities can be withdrawn or taken back by the client before the maturity of the contract under the following circumstances, namely –
    a. Voluntary or compulsory termination of portfolio management services by the Portfolio Manager or the client.
    b. Suspension or cancellation of the certificate of registration of the Portfolio manager by the Board.
    c. Bankruptcy or liquidation of the Portfolio Manager.
2. There shall be written intimation about such termination by the terminating party.
3. On termination of the agreement, the Portfolio Manager shall give a detailed statement of accounts to the client and settle the account with the client as agreed in the agreement.

18) <u>Disclaimer by Portfolio Manager:</u>

Prospective investors should review / study this Disclosure Document carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters and are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their portfolio, acquisition, holding, capitalization, disposal (sale, transfer or conversion into money) of portfolio within their jurisdiction of nationality, residence, incorporation, domicile etc. or under the laws of any jurisdiction to which they or any managed funds to be used to purchase/gift portfolio of securities are subject, and also to determine possible legal, tax, financial or other consequences of subscribing / gifting, purchasing or holding portfolio of securities before making an investment.

19) Investor Services:

(i) The details of the investor relation officer who shall attend to the investor queries and complaints are mentioned here below:

Name of the person	**Ms. Neha Mehta**
Designation	Compliance Officer
Address	Bungalow No. 36, Kalanagar Bandra East, Mumbai 400051 Maharashtra
Email	connect.vallum@vallum.in
Investor Grievance Email ID	grievance@vallum.in
Telephone	**+91- 9820479992**

The official mentioned above will ensure prompt investor services. The portfolio manager will ensure that this official is vested with the necessary authority, independence and the means to handle investor complaints.

(ii) **Grievances redressal and Dispute settlement mechanism.**
Grievances, if any, that may arise pursuant to the Portfolio Management Services Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations 2020 and any amendments made thereto from time to time. However, all the legal actions and proceedings are subject to the jurisdiction of the court in Mumbai only and are governed by Indian laws.

The Portfolio Manager will endeavor to address all complaints regarding service deficiencies or causes for grievance, for whatever reason, in a reasonable manner and time. If the Investor remains dissatisfied with the remedies offered or the stand taken by the Portfolio Manager, the investor, and the Portfolio Manager shall abide by the following mechanisms: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit.
Alternatively, with effect from September 2011, SEBI has launched a new web-based centralized grievance system called SCORES i.e. SEBI Complaints Redressal System, for online filing, forwarding, and tracking of resolution of investor complaints. The Client may also make use of the SCORES facility for any escalations on redressal of their grievances. Following is the link to visit the website and inform their dispute/complaints against the company.
https://scores.gov.in/scores/complaintRegister.html

SEBI vide press release PR No. 80/2012 dated 30th August' 2012 has extended its toll-free helpline service for Investors (1800 22 7575 / 1800 266 7575) to Saturday and Sunday from the existing Monday to Friday. The service on Saturday and Sunday would be available initially to investors from all over India in English, Hindi, Marathi, and Gujarati from 9:30 a.m. to 5:30 p.m. For any queries/ feedback or assistance, the Client may also e-mail to sebi@sebi.gov.in

Arbitration:

The agreement with the client shall be governed by construed and enforced in accordance with the laws of India. Any dispute with the client shall at first be settled by mutual discussion, failing which the same will be referred to and settled by arbitration in accordance subject to the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification/enactment thereof for the time being in force. A sole arbitrator will be appointed by mutual consent of the portfolio manager and the client. The arbitration shall be held in Mumbai and be conducted in the English language. Any action or suit involving the agreement with a client or the performance of the agreement by either party of its obligations will be exclusively in courts located at any place in India subject to the jurisdiction clause in the portfolio agreement.

20) Anti-Money Laundering Compliances:

The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002 (PMLA 2002). PMLA 2002 and the Rules notified there under (PMLA Rules) came into effect from July 1, 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Act to implement the provisions of the Act. Consequently, SEBI has mandated that all registered intermediaries formulate and implement a comprehensive policy framework on anti-money laundering and adopt 'Know Your Customer' (KYC) norms.

Further, SEBI vides Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/104 dated 15th October, 2019 (which supersedes all the earlier circular) issued a **'Master Circular for Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 and Rules frame thereunder'** consolidating all the requirements/instructions/obligations of Securities Market Intermediaries.

Accordingly, the investors should ensure that the amount invested by them is through legitimate sources only and does not involve and are not designed for the purpose of any contravention or evasion of any Act, Rules, Regulations, Notifications or Directions of the provisions of Income Tax Act, Prevention of Money Laundering Act, Anti-Corruption Act and or any other applicable laws enacted by the Government of India from time to time. The Portfolio Manager is committed to complying with all applicable anti-money laundering laws and regulations in all of its operations. Accordingly, the Portfolio Manager reserves the right to reject or refund or freeze the account of the client if the client doesn't comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

The Portfolio Manager shall not be held liable in any manner for any claims arising whatsoever on account of freezing the account/rejection or refund of the application etc. due to non-compliance with the provisions of any of the aforesaid Regulations or Applicable Laws.

Investors are requested to note that KYC is mandatory for all investors. SEBI vide circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011, and CIR/MIRSD/ 11/2012 dated September 5, 2012, has mandated that the uniform KYC form and supporting documents shall be used by all SEBI registered intermediaries in respect of all new clients from January 1, 2012. Further, SEBI vides circular no. MIRSD/Cir-23/2011 dated December 2, 2011, has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

Accordingly, KYC registration is being centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo a uniform KYC process only once in the securities market and the details would be shared with other intermediaries by the KRA. Applications shall be liable to be rejected if the investors do not comply with the aforesaid KYC requirements.

As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005 (the rules), every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the Rules, as per the KYC template for 'Individuals' finalized by CERSAI. Accordingly, the KYC template finalized by CERSAI shall be used by the registered intermediaries as Part I of AOF for individuals.

21) List of Approved Share Brokers involved for Portfolio Management activities:

Sr. No.	Name	SEBI Registration No
1.	Philip Capital (India) Private Limited	INZ000169632
2.	Emkay Global Financial Services Ltd	INZ000203933
3.	Master Capital Services Ltd	INZ000210539

22) Other Disclosures by Portfolio Manager:

- The company has outsourced its fund accounting and custodial service.
- The company may undertake proprietary investment in its independent capacity.

23) General:

- The portfolio manager and the client can mutually agree to be bound by specific terms through a written two-way agreement between themselves in addition to the standard agreement.
- The company is also SEBI registered Investment Adviser and is maintaining arm's length relationship with such advisory activity.

For Vallum Capital Advisors Private Limited

Manish Bhandari

Digitally signed by Manish Bhandari
DN: c=IN, o=Personal, title=4598, pseudonym=6a5be74908a65233154efddcc6d577fc20dfd028, 2.5.4.20=b0035dea0733e6e6b3a982b998bb676154b4d726ee188ffd21abed593ac366fb, postalCode=400063, st=Maharashtra, serialNumber=44560fe73915c1e4e1c91303f4a400c07608341bdde581ba4fac09b7c2059061, cn=Manish Bhandari
Date: 2020.08.03 20:38:11 +05'30'

Mr. Manish Bhandari
(DIN No.03027974)
Director
Place: Mumbai
Date: 03.08.2020

SUNITA MADHUSUDAN SARDA

Digitally signed by SUNITA MADHUSUDAN SARDA
DN: c=IN, o=PHED, postalCode=400002, st=Maharashtra, 2.5.4.20=886476af31ccac97fc511e5b06d279b61cc80d3892b88e347948719179743a50, serialNumber=e48114638136ead98a47b674055b81f95809e3b9ceb9ce98a8a8b144e523a467, cn=SUNITA MADHUSUDAN SARDA
Date: 2020.08.03 20:39:48 +05'30'

Mrs. Sunita Sarda
(DIN No.01620878)
Director
Place: Mumbai
Date: 03.08.2020

FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS, 2020
(Regulation 22)

We confirm that:

The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 2020 and the guidelines and directives issued by the Board from time to time;

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 in the Portfolio Management;

The Disclosure Document has been duly certified by an independent Chartered Accountant M/s. B Y & Associates, Chartered Accountants, 8A-2, Chander Mukhi, Opp. Nirmal Building, Nariman Point, Mumbai – 400 021, Phone No. 022- 4017 2000, firm registration number 123423W on 03.08.2020

Date: 03.08.2020
Place: Mumbai

Signature of the Principal Officer

Manish Bhandari

Digitally signed by Manish Bhandari
DN: c=IN, o=Personal, title=4598, pseudonym=6a5be74908a65233154efddcc6d577fc20dfd028, 2.5.4.20=b0035dea0733e6e6b3a982b998bb676154b4d726ee188ffd21abed593ac366fb, postalCode=400063, st=Maharashtra, serialNumber=44560fe73915c1e4e1c91303f4a400c07608341bdde581ba4fac09b7c2059061, cn=Manish Bhandari
Date: 2020.08.03 20:38:51 +05'30'

Mr. Manish Bhandari
Bungalow No. 36, Kalanagar Bandra East,
Mumbai 400051,
Maharashtra.

B Y & Associates
CHARTERED ACCOUNTANTS

Certificate

We, B Y & Associates, Chartered Accountants, Mumbai, have reviewed the Disclosure Document dated 31st July 2020, prepared by **M/s. Vallum Capital Advisors Private Limited. (SEBI Registered Portfolio Manager – INP000006961)** having address as Bungalow No. 36, Kalanagar Bandra East, Mumbai 400 051, in accordance with disclosure document as stated in Schedule V of Regulation 22(3) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020,('the Regulations').

The Management of the Company is responsible for preparation of the attached Disclosure Document in accordance with the Regulations.

Our responsibility is to issue the certificate based on our review which is primarily limited to inquiries of the Company's personnel, tracing the financial information from the audited financial statements for the year ended March 31, 2017, March 31, 2018, March 31, 2019 and unaudited financial statements for the period ended March 31, 2020, previous disclosure document submitted to SEBI, other relevant records, the information, explanations and representations furnished by the Management.

We have relied on the representation given by the Management about the penalties or litigations, group companies, performance calculation of the Portfolio Manager and audit observations (if any) against the Portfolio Manager mentioned in the Disclosure Document.

Based on such review of attached Disclosure Document, we hereby certify that the disclosures made in the Disclosure Document dated 31st July 2020 are true, fair and adequate to enable the investors to make well informed decisions.

This Certificate has been issued pursuant to Schedule V of Regulation 22(3) of Securities and Exchange Board of India ("SEBI") (Portfolio Managers) Regulations, 2020, ('the Regulations') and at the request of **M/s. Vallum Capital Advisors Private Limited** for the purpose of submitting the same to SEBI and the Portfolio Manager Service Clients and should not be used or referred to for any other purpose without our prior written consent.

Place: Mumbai

Date: 03rd August, 2020

For B Y & Associates
Chartered Accountants
Firm Reg. No. 123423W

BHAVESH RASIKLAL VORA

Digitally signed by BHAVESH RASIKLAL VORA
Date: 2020.08.03 19:01:39 +05'30'

Bhavesh Vora
Partner
M. No: 043908
UDIN: **20043908AAACHB1252**