TRUE BEACON INVESTMENT ADVISORS LLP

Portfolio Management Services – Disclosure Document

1. This disclosure document ("**Disclosure Document**") has been filed with the Securities and Exchange Board of India along with the certificate in the specified format in terms of Regulation 22 of the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

2. The purpose of the Disclosure Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decisions for engaging True Beacon Investment Advisors LLP as a Portfolio Manager.

3. The necessary information about the Portfolio Manager required by an investor before investing is disclosed in the Disclosure Document. Investors should carefully read the entire Disclosure Document before making a decision to avail portfolio management services from True Beacon Investment Advisors LLP and should retain the Disclosure Document for future reference.

4. Clients are encouraged to seek clarifications on this document from the Portfolio Manager.

5. Details of the Principal Officer designated by the Portfolio Manager are as follows:

Name of the Principal Officer	:	Mr. Saurabh Dhole
Address	:	New No. 114, Old No. 72/8, Cunnigham Road (SRT Road),Bangalore, Karnataka 560051 India
Telephone number	:	+91 9663903202
E – mail address	:	saurabh@truebeacon.com

This Disclosure Document is dated 26th March 2025 .

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1. DISCLAIMER

The particulars of this Disclosure Document have been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 ("**PMS Regulations**") and filed with the Securities and Exchange Board of India ("**SEBI**"). This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Disclosure Document. The distribution of this document may be restricted or prohibited in certain jurisdictions and accordingly, persons who come into possession of this document are required to inform themselves about and to observe any such restrictions. While the Portfolio Manager shall endeavour to update on a reasonable basis the information disclosed in this document, the Portfolio Manager does not undertake to update such information to reflect the impact of circumstances or events, including regulatory or compliance changes that arise after the date of these disclosures. No part of this Disclosure Document may be duplicated in any form and/or redistributed without the prior written consent of **True Beacon Investment Advisors LLP.**

2. DEFINITIONS AND INTERPRETATION

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

2.1 "**Associate**" means: (i) a body corporate in which a director or partner of the Portfolio Manager holds either individually or collectively, more than twenty percent of its paid-up equity share capital or partnership interest, as the case may be; or (ii) a body corporate which holds, either individually or collectively, more than twenty percent of the paid-up equity share capital or partnership interest, as the case may be of the Portfolio Manager.

2.2 "**Anniversary year**" means last day of the calendar month from a period of one year from the date of investment.

2.3 "**Applicable Laws**" means the laws of the Republic of India and includes rules and regulations issued pursuant to and under such laws, including the PMS Regulations.

2.4 "**Accreditation Agency**" means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the SEBI from time to time.

2.5 "**Accredited Investor**" means any person who has been granted a certificate by the accreditation agency who:

(a) in case of an individual, Hindu undivided family, family trust or sole proprietorship has:
  - (i) annual income of at least INR 2 crores; or
  - (ii) net worth of at least INR 7.5 crores, out of which not less than INR 3.75 crores is in the form of financial assets; or
  - (iii) annual income of at least INR 1 crore and minimum net worth of INR 5 crores out of which not less than INR 2.5 crores is in the form of financial assets.

(b) in case of a body corporate, has net worth of at least INR 50 crores;

(c) in case of a trust other than family trust, has net worth of at least INR 50 crores;

(d) in case of a partnership firm set up under the Indian Partnership Act, 1932, each partner independently meets the eligibility criteria for accreditation:

Provided that the central government and the state governments of India, developmental agencies set up under the aegis of the central government or the state governments of India, funds set up by the central government or the state governments of India, qualified institutional buyers as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Category I foreign portfolio investors, sovereign wealth funds and multilateral agencies and any other entity as may be specified by the SEBI from time to time, shall deemed to be an accredited investor and may not be required to obtain a certificate of accreditation.

2.6 "**Advisory Services**" means the investment advisory in terms of the PMS Regulations and shall include the responsibility of advising on the portfolio strategy, investment and divestment of individual Securities in the Clients' Portfolio, for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk, to all eligible categories of investors.

2.7 "**Agreement**" or "**Portfolio Management Services Agreement**" or "**PMS Agreement**" means the portfolio management agreement executed between the Portfolio Manager and its Clients in accordance with the PMS Regulations.

2.8 "**Client**" or "**Investor**" means any person who enters into an Agreement for availing the Portfolio Management Services offered by the Portfolio Manager by executing the agreement.

2.9 "**Compliance Officer**" means the officer, not being the Principal Officer appointed in terms of Regulation 7(2)(d) of the PMS Regulations or employee of the Portfolio Manager appointed in terms of Regulation 7(2)(e) of the PMS Regulations, who shall be responsible for monitoring the compliance of the Portfolio Manager with the SEBI Act, 1992 rules and regulations, notifications, guidelines, instructions etc., issued by SEBI or the central government of India and for redressal of Clients' grievances.

2.10 **"Custodian(s)**" means Custodian(s) as may be appointed by the Portfolio Manager, from time to time, for Custody of Securities of the Client and to perform such other functions like keeping track of corporate benefits associated with the securities etc

2.11 **"Depository"** means a body corporate as defined in the Depositories Act, 1996 (22 of 1996) and includes National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL).

2.12 **"Depository Account"** means any account of the Client or for the Client with an entity registered as a depository participant as per the relevant regulations in which the securities comprising part of the portfolio of the client are kept by the portfolio manager.

2.13 "**Discretionary Portfolio Management Services**" or "**Discretionary Services**" or "**DPMS**" means portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the Agreement, where the Portfolio Manager exercises any degree of discretion in the investment or management of the Portfolio or the Funds of the Client, as the case may be.

2.14 "**Disclosure Document**" or "**Document**" means this disclosure document issued by True Beacon Investment Advisors LLP for offering portfolio management services, prepared in terms of Schedule V of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

2.15 "**Financial Year"** means the year starting from April 1 to March 31 of the following year.

2.16 "**Funds or Investment Amount**" means the monies managed by the Portfolio Manager on behalf of the Client pursuant to the PMS Agreement and includes the investment amount mentioned in the account opening form, any monies placed by the Client with the Portfolio Manager from time to time for the purposes of being managed pursuant to the PMS Agreement, the proceeds of the sale or other realization of the Portfolio and interest, dividends and other monies arising from the Portfolio investments, so long as the same is managed by the Portfolio Manager.

2.17 "**GIFT**" means Gujarat International Finance-Tech City.

2.18 "**INR**" means Indian Rupees.

2.19 "**Investment Approach"** means a broad outlay of the type of securities and permissible instruments to be invested in by the portfolio manager for the investor, taking into account factors specific to clients and securities.

2.20 "**Large Value Accredited Investor**" means an accredited investor who has entered into an agreement with the portfolio manager for a minimum investment amount of INR 10 crores.

2.21 "**Non-Discretionary Portfolio Management Services**" or "**Non-Discretionary Services**" means portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in the Agreement, where the Portfolio Manager acts on the instructions received from the Client with regard to investment or management of Portfolio or Funds of the Client and will exercise no discretion as to the investment or management of the Portfolio.

2.22 **"NRI" or "Non-Resident Indian**" means a Non-Resident Indian or a Person of Indian origin residing outside India as defined under Foreign Exchange Management Act, 1999.

2.23 "**Parties**" shall refer to the Portfolio Manager and the Client collectively, and "**Party**" shall refer to the Portfolio Manager and the Client severally.

2.24 "**PMS Regulations**" means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended, modified, restated, and/or re-enacted from time to time. The term '**PMS Regulations**' shall also deem to include all guidelines, directions, regulations, rules and notifications issued by the government or any statutory or regulatory authority or SEBI for the operation and management of portfolio managers, or any legislation in regard thereto, if applicable to the Portfolio Manager

2.25 "**Portfolio Manager**" means True Beacon Investment Advisors LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008.

2.26 "**Portfolio**" means the total holdings of Securities and Funds managed by the Portfolio Manager on behalf of the Client pursuant to the PMS Agreement and includes any Securities and Funds mentioned in the account opening form, any further Securities and Funds placed by the Client with the Portfolio Manager for the purposes of being managed pursuant to such Agreement, Securities or other realisations of the Portfolio acquired by the Portfolio Manager through investment of Funds and bonus and rights shares on account of any corporate actions in respect of Securities forming part of the Portfolio, so long as the same are managed by the Portfolio Manager pursuant to the PMS Agreement.

2.27 "**Principal Officer**" means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for (i) the decisions made by the Portfolio Manager in terms of the management or administration of Portfolio of Securities and Funds of the Client; and (ii) operations of the Portfolio Manager.

2.28 "**Related Parties**" in relation to the Portfolio Manager shall mean:

(a) a director, partner or his relative;
(b) a key managerial personnel or his relative;
(c) a firm, in which a director, partner, manager or his relative is a partner;
(d) a private company in which a director, partner or manager or his relative is a member or director;
(e) a public company in which a director, partner or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
(f) anybody corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director, partner or manager;
(g) any person on whose advice, directions or instructions a director, partner or manager is accustomed to act: *Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity*;
(h) any body corporate which is:

(A) a holding, subsidiary or an associate company of the portfolio manager; or
(B) a subsidiary of a holding company to which the portfolio manager is also a subsidiary;
(C) an investing company or the venturer of the Portfolio Manager;
Explanation.—For the purpose of this clause, —investing company or the venturer of a Portfolio Manager means a body corporate whose investment in the portfolio manager would result in the Portfolio Manager becoming an associate of the body corporate

(i) a related party as defined under the applicable accounting standards;
(j) such other person as may be specified by SEBI:
Provided that, (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or (b) any person or any entity, holding equity shares: (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

2.29 "**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.

2.30 "**Securities**" means security as defined in Section 2(h) of the Securities Contract (Regulation) Act, 1956, provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in or advising on under the PMS Regulations or any other law for the time being in force.

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 and have been included only for the purpose of clarity and shall, in addition, be interpreted according to their general meaning and usage and shall not carry meaning assigned to them in PMS 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 maybe also add ₹ symbol here just in case we ever use it in here going forward "Rs" refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".

3. DESCRIPTION

3.1 History, present business and background of the Portfolio Manager

3.1.1 True Beacon Investment Advisors LLP ("**True Beacon LLP**") is a limited liability partnership setup under the Limited Liability Partnership Act, 2008 on October 22, 2018, bearing LLP Identification Number AAN-4560 and having its registered office at New No. 114, Old No. 72/8, Cunnigham Road (SRT Road), Bangalore, Karnataka – 560 051. It also has a branch office at Mumbai at Office No. 419, 420, 4th Floor, Wadhwa Gateway, Mulund Goregaon Link Road, Mulund West, Mumbai 400080.

3.1.2 The objective of True Beacon LLP is to render portfolio management services as per the PMS Regulations and the Portfolio Managers to prudently manage funds in various avenues like equity, debt, mutual fund units, government securities and such other financial instruments and securities in accordance with the PMS Regulations.

3.1.3 Presently, True Beacon LLP acts as an investment manager to True Beacon AIF ("**Fund**"), a Category III alternative investment fund (open ended) registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, bearing registration number IN/AIF3/19-20/0701. Further, a Restricted Scheme (Non-Retail) by True Beacon Investment Advisors LLP was launched under True Beacon Global AIF, established as a trust with effect from 19 May 2023 based out of GIFT City, Gujarat.

3.2 Promoters of the Portfolio Manager, Partners and their background

Mr. Yash Bhate and Mr. Faizan Sait are the Designated Partners and Mr. Nikhil Kamath, Mr. Nithin Kamath, Mr. Richard Edward George Pattle and Mr. Abhijeet Pai are partners of True Beacon LLP.

(a) Designated Partners and Partners:

Name of the Designated Partners and Partners	Qualification	Brief Experience
Mr. Yash Bhate	BA Computer and Information Sciences and Quantitative Econometrics, University of California Berkeley 2020	• Quantitative researcher and research engineer at Point72 Asset Management, a $30B long/short hedge fund in New York City from 2020 to 2023 • Experience working with Vista Equity Partners in San Francisco previously.
Mr. Faizan Sait	MBA (Finance)	• Key Highlights include setting up India's first ever Category III (offshore) fund in GIFT City (under IFSCA) as well as setting up the PMS Vertical for bespoke PMS offerings and products • Currently scaling our investment management business through - Bespoke investment management solutions and product distribution.
Mr. Richard Pattle	• BA (Hons) Business Studies (2:1) Bournemouth University 1992. • MSc Defence and Strategic Studies (Distinction) - University of Madras 2007.	• Master of the Household of TRH The Prince of Wales and The Duchess of Cornwall UK from 2008 to 2014. • Vice Chairman, Standard Chartered Private Bank, UK from 2014 to 2018. • CEO, KEF Holdings, UAE from 2018 to 2019. • Senior Advisor, Standard Chartered Private Bank and Founder, Bright Star Global Management Consultancy, UAE from 2019 till date.
Mr. Nikhil Kamath	Senior Secondary	• Work experience of 10 years and above as a trader • Independent Trader from 2004 to 2006 • Sub Broker of Way2wealth from 2009-2010

Name of the Designated Partners and Partners	Qualification	Brief Experience
		• Partner at Kamath Associates from 2007 to 2010 • Co-founder of Zerodha from 2010 to March 2019 • Director in Zerodha Broking Limited from March 2019 to Till Date • Co-founder at True Beacon from August 2019 to Present
Mr. Abhijeet Pai	Mechanical Engineer with PGD	• Co-founder and Partner of Gruhas Proptech LLP where he leads and manages the Investment team as well as the sourcing and evaluation of investment opportunities • Promoter of Puzzolana Group where he acts as an advisor on Business Development and Strategic Planning • President of Puzzolana Machinery Fabricators where he heads Business Development and Strategic Planning for Puzzolana Group with an aim to be a leader in all product families that the group has ventured into
Mr. Nithin Kamath	Senior Secondary	• Work experience of 10 years and above as a trader • Independent Trader from 2004 to 2006 • Sub Broker of Way2wealth from 2009-2010 • Partner at Kamath Associates from 2007 to 2010 • Co-founder of Zerodha from 2010 to March 2019 • Director in Zerodha Broking Limited from March 2019 to Till Date • Co-founder at True Beacon from August 2019 to Present

3.3 Top 10 group companies / firms of the Portfolio Manager on turnover basis*

S. No.	Name of the entity
1.	Zerodha Broking Limited

S. No.	Name of the entity
2.	NK Square
3.	Kamath Associates
4.	Zerodha Technologies Private Limited
5.	Zerodha Commodities Private Limited
6.	ETS Securities Private Limited
7.	Riskilla Software Technologies Private Limited
8.	Vanlavino Cafe LLP
9.	Zerodha Capital Private Limited
10.	Zerodha Asset Management Pvt Ltd

**The above list is based on the Gross turnover of the group companies/firm of True Beacon Investment Advisors LLP as per the audited accounts for financial year ended 31/03/2024.*

3.4 Details of services being offered by the Portfolio Manager

True Beacon LLP offers Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services and Advisory Services. As per the PMS Regulations the portfolio manager is required to accept minimum INR 50 Lacs or securities having a minimum worth of INR 50 Lacs from the client.

3.4.1 **Discretionary Portfolio Management Services**

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager and the Portfolio Manager can exercise any degree of discretion in the investments or management of Portfolio of the Client in accordance with the Portfolio Management Services Agreement (“**PMS Agreement**”). Under Discretionary Portfolio Management Services, the Portfolio Manager may invest Clients’ Funds in listed securities, securities which are traded on a recognized stock exchange, money market instruments (including, but not limited to, commercial paper, trade bill, treasury bills, certificate of deposit and usance bills), units of mutual funds and other securities as specified by SEBI from time to time, on behalf of Clients, in accordance with applicable laws. As per the PMS Regulations the Portfolio Manager shall not invest in unlisted securities under Discretionary services.

The Portfolio Manager will provide Discretionary Portfolio Management Services which shall be in the nature of investment management, and may include the responsibility of managing, renewing and reshuffling the Portfolio, buying and selling the 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 entirely at the Client's risk. The securities transacted by the Portfolio manager for clients in the same investment approach may differ from client to client.

The Securities invested / disinvested by the Portfolio Manager for Clients may differ from client to client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Funds is absolute and final and can never be called in question or be open to review at any time during the currency of the Agreement or at any time thereafter except on the ground of fraud, mala fide intent, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with applicable laws.

The Portfolio Manager shall individually and independently manage the funds of each client in accordance with the needs of the Client, in a manner which does not partake character of a mutual fund. In case of the Client falling under the category of Large Value Accredited Investor, the Portfolio Manager may invest up to 100% of the assets under management in unlisted Securities.

Further, the PMS Regulations provide that the Portfolio Manager shall ensure investment of its Clients' Funds on the basis of the credit rating of Securities as may be specified by SEBI. Accordingly, with respect to investments in debt and hybrid securities, the Portfolio Manager shall not make any investment in "below investment grade" Securities.

3.4.2 **Non-Discretionary Portfolio Management Services**

Under the Non-Discretionary Portfolio Management Services, the Portfolio of the Client will be managed as per the PMS Agreement, and the express instructions issued by the Client from time to time. The Portfolio Manager shall execute orders as per the mandate received from Client and the Client will have complete discretion to decide on the investment (quantity and price or amount).

The Portfolio Manager will provide Non-discretionary Portfolio Management Services as per express prior instructions issued by the Client from time to time, in the nature of investment consultancy/management, and may include the responsibility of managing, renewing and reshuffling the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so as to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure entirely at Client's risk. The Portfolio Manager shall assist the Portfolio of the Client at the instruction of the Client, but always subject to the PMS Regulations. The Client will have complete discretion to make the investment decision. The Portfolio Manager, subject to other applicable regulations inter alia would endeavour to manage transaction execution, accounting, providing research, investment advice, recording or corporate benefits, valuation and reporting aspects on behalf of the Client entirely at the Client's risk.

Further, the Portfolio Manager offering Non-Discretionary Services to the clients may invest up to 25% of the assets under management of such clients in unlisted securities, in addition to securities permitted for Discretionary Portfolio Management in lines with PMS Regulations.

The Portfolio Manager shall not make any investment in "below investment grade" listed Securities. However, the Portfolio Manager may invest up to 10% of the assets under management of such clients in unlisted unrated securities of issuers other than associates/Related Parties of the Portfolio Manager. The said investment in unlisted unrated debt and hybrid Securities shall be within the maximum specified limit of 25% of the assets under management of such clients for investment in unlisted securities in line with the PMS Regulations.

3.4.3 **Advisory Services**

Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the Client and agreed upon in the PMS Agreement. The Portfolio Manager shall render the best possible advice (to the best of its abilities) to the Client having regard to the Client's needs and the environment, and his own professional skills. The same can be binding or non - binding in nature or in such terms as mentioned in the PMS Agreement.

For such services, the Portfolio Manager shall charge the Client a fee mentioned in the PMS Agreement. The advice may be either general or specific in nature and may pertain to a particular Portfolio. The Portfolio Manager shall also ensure that the investors are provided with true and adequate information without making any misguiding or exaggerated claims and are made aware of attended risks before any investment decision is taken by them. In accordance with the terms of PMS Regulations, the Portfolio Manager offering Advisory Services to the clients may provide advice for investment up to 25% of the assets under management of such clients in unlisted securities, in addition to securities permitted for Discretionary Portfolio Management.

3.4.4 **Direct Onboarding**

(a) Clients shall have the option to be on-boarded directly to avail the services of the Portfolio Manager, without intermediation of persons engaged in distribution services.

(b) At the time of onboarding of Clients, no upfront fees shall be charged by the Portfolio Manager either directly or indirectly. The fees and expenses charged by the Portfolio Manager shall be specified under the Client Agreement.

3.4.5 **Services offered to Accredited Investors and Large Value Accredited Investors**

The below regulatory concessions are available to Accredited Investor and Large Value Accredited Investor under SEBI (Portfolio Managers) Regulations, 2020:

Particulars	**Applicability**
Contents of agreement specified under Schedule IV of SEBI (Portfolio Managers) Regulations, 2020 shall not apply to the agreement between the Portfolio	Large Value Accredited Investor

Manager and Large Value Accredited Investor.	
The Portfolio Manager may offer discretionary or non-discretionary for investment up to hundred percent of the assets under management in unlisted securities subject to the terms agreed between the client and the Portfolio Manager.	Large Value Accredited Investor
The quantum and manner of exit load applicable to the client of the Portfolio Manager shall be governed through bilaterally negotiated contractual terms.	Large Value Accredited Investor
The requirement of minimum investment amount per client shall not apply.	Accredited Investor

4. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTION OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR INITIATED BY ANY REGULATORY AUTHORITY:

1	All cases of penalties imposed by SEBI or the directions issued by SEBI under the Securities and Exchange Board of India Act, 1992, rules or regulations made thereunder	NIL
2	The nature of the penalty/direction	Not Applicable
3	Penalties imposed for any economic offence and/or for violation of any securities laws	NIL
4	Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any	NIL
5	Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency	NIL
6	Any enquiry/adjudication proceedings initiated by SEBI 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 Securities and	NIL

	Exchange Board of India Act, 1992, or rules and regulations made thereunder	

5. **SERVICES OFFERED**

5.1 INVESTMENT OBJECTIVES AND POLICIES

True Beacon LLP offers Discretionary Portfolio Management Services, Non-Discretionary Portfolio Management Services and Advisory Services as mentioned in clause 3.4. As per the PMS Regulations the portfolio manager is required to accept minimum INR 50 Lacs or securities having a minimum worth of INR 50 Lacs from the client. Under Discretionary and Non-Discretionary service, the Portfolio-Manager may invest in various portfolios with different terms and conditions from time to time. Discretionary and Non-discretionary services are being offered under various strategies with various terms and conditions.

5.2 INVESTMENT APPROACH OF THE PORTFOLIO MANAGER

Please refer to Annexure A for more details.

5.3 POLICY FOR INVESTMENT IN ASSOCIATES/ GROUP COMPANIES OF THE PORTFOLIO MANAGER AND THE MAXIMUM PERCENTAGE OF SUCH INVESTMENTS THEREIN SUBJECT TO THE APPLICABLE LAWS/REGULATIONS/ GUIDELINES

The investments in Related Parties / associate / group companies at time of investments may be up to 30% of Client's Portfolio or any other threshold as prescribed by SEBI under PMS Regulations from time to time. The investments in securities of the Related Parties/ associate / group companies would be within the overall framework of the PMS Regulations and in terms of the Agreement executed with the Client. Additionally, the Portfolio Manager may utilize services of subsidiaries / associates / joint ventures of its group companies relating to and incidental to Portfolio Management Services. Such utilization will be purely on commercial, arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the PMS Regulations.

The Portfolio funds are not invested in Associates or Group Companies.

6. **RISK FACTORS**

The investments made in the Securities are subject to market risk and there is no assurance or guarantee that the value of or return on the investments made will always appreciate, it could depreciate to an unpredictable extent. Following are the risk factors as perceived by management:

6.1. INVESTMENT RELATED

6.1.1. Achievement of objective: Securities investment is subject to market risks and there is no assurance or guarantee that the objective of investments of the Client will be achieved. . The investments may not be suited for all categories of Investors. Investment decisions made by the Portfolio Manager may not always be profitable.

6.1.2. The past performance of the Portfolio Manager is not an indicator of its future performance in the same or in any other Portfolio either existing or that may be offered. Investors are not being offered any guaranteed or indicative returns through these services.

6.1.3. Risk arising from investment objective, investment strategy and asset allocation: The value of the Portfolio can go up or down depending on the factors and forces affecting the capital market, the underlying asset through which the Securities derive their value, the investee company, and general economic risk and the Portfolio Manager is not responsible or liable for losses resulting from the operations of the Portfolios.

6.1.4. Risks arising out of non-diversification: The risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. Further, in certain cases, the Portfolio Manager may only be able to source investment opportunities in certain geographies, which may lead to concentration and thereby increase non-diversification risk.

6.1.5. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.

6.1.6. Risks associated with investment in Related Parties/ associates/ group Companies of the Portfolio Manager: The Portfolio Manager will, before investing in the securities of its Related Parties/ associate / group companies, evaluate such investments, the criteria for the evaluation being the same as is applied to other similar investments to be made under the Client's Portfolio and obtain the requisite consent as required under Applicable Law and the PMS Regulations. The Portfolio Manager and its Related Parties/ group companies/associates are engaged in a broad spectrum of activities in the financial services sector. The Portfolio Manager may utilize such services of its Related Parties or group companies or associates for managing the Portfolios of the Clients. These include availing trading, broking and distribution services provided by Zerodha Broking Limited etc. The Portfolio Manager may avail the services of other Related Parties or group companies as may be deemed necessary, from time to time. In such scenarios, the Portfolio Manager shall act in a fiduciary capacity in relation to the Client's Funds and shall endeavour to mitigate any potential conflict of interest that could arise while dealing with such group companies/associates, in a manner which is not detrimental to the Client. In line with the SEBI circular dated 13 February 2020, charges for all the transactions in the financial year (brokerage, demat, custody charges etc.) through self or associates shall be capped at 20% by value per associate (including self) per service. The Portfolio Manager shall ensure that any charges to self/associate shall not be at rates more than that paid to the non-associates providing the same service. The Sponsor, the partners, other schemes managed by the said entities and the fund and the other entities with which they are associated may be entering into securities market transactions and such transactions will be based on adequate Chinese walls and the transactions of the fund and the transactions of such entities may be contrary to each other.

Please refer to **Annexure B** of this Disclosure Document for details of the associate / group companies of the Portfolio Manager

6.1.7. The liquidity of the Portfolio investments is inherently restricted by trading volumes in the Securities in which the investment is made and in certain cases, such as unlisted Securities, a market for such securities may not exist.

6.1.8. The valuation of the Portfolio investments may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets.

6.1.9. The investment objective of the Portfolio could result into concentration on a specific asset/asset class/sector/issuer etc., which could expose the Portfolio to undesired diversification.

6.1.10. Different segments of the financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the portfolio due to the absence of a well-developed and liquid secondary market for debt securities would result, at time, in potential losses to the Portfolio, in case of a subsequent decline in the value of securities held in the Portfolio.

6.1.11. Investment in schemes of mutual funds is subject to risk factors defined in the Scheme Information document of the respective schemes. The schemes will also be vulnerable to movements in the prices of securities invested by the schemes which again could have a material bearing on the overall returns from the schemes.

6.1.12. Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.

6.1.13. The Portfolio Manager may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields and/or higher capital appreciation potential. This may increase the risk of the portfolio. Such investments shall be subject to the scope of investments as laid down in the PMS Agreement.

6.1.14. The investment strategies are given different names for convenience purpose and the names of the Strategies do not in any manner indicate their prospects or returns.

6.2. GENERAL RISK FACTORS

6.2.1 **Equity and Equity Related Risks**

Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Investment Approach may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Investment Approach to make intended securities purchases, due to settlement problems, could cause the Portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the portfolio would result at times, in potential losses to the portfolio, should there be a subsequent decline in the value of securities held in the portfolio. Also, the value of the investments may be affected by interest rates, currency exchange rates, changes in law/ policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual Securities/Funds, a specific sector or all sectors.

- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity portfolios unless they can afford to take the risk of losing their investment.

- Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options.

- The Portfolio Manager may not be able to sell / lend out securities, which can lead to temporary illiquidity. There are risks inherent in securities lending, including the risk of failure of the other party, in this case the approved intermediary to comply with the terms of the agreement. Such failure can result in a possible loss of rights to the collateral, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of corporate benefits accruing thereon.

6.2.2 **Fixed Income Securities Related Risks**

Interest-Rate Risk: Fixed income securities such as government bonds, corporate bonds, and money market instruments and derivatives run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices depends upon the coupon and maturity of the security. It also depends upon the yield level at which the security is being traded.

- Re-investment Risk: Investments in fixed income securities carry re-investment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond.

Basis Risk: The underlying benchmark of a floating rate security or a swap might become less active or may cease to exist and thus may not be able to capture the exact interest rate movements, leading to loss of value of the portfolio.

- Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

- Liquidity Risk: The liquidity of a bond may change, depending on market conditions leading to changes in the liquidity premium attached to the price of the bond. At the time of selling the security, the security can become illiquid, leading to loss in value of the portfolio.

- Credit Risk: This is the risk associated with the issuer of a debenture/bond or a money market instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

- Liquidity Risk on account of unlisted securities: The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment. The unlisted security can go down in value before the divestment date and selling of these securities before the divestment date can lead to losses in the portfolio.

- Settlement Risk: Fixed income securities run the risk of settlement which can adversely affect the ability of the fund house to swiftly execute trading strategies which can lead to adverse movements in NAV.

6.2.3 **REITs and InvITS Related Risks**

Price-Risk or Interest-Rate Risk: REITs & InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

- Credit Risk: In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. REITs & InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre scheduled.

- 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. As these products are new to the market they are likely to be exposed to liquidity risk.

- Reinvestment Risk: Investments in REITs & InvITs may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

- Risk of lower than expected distributions: The distributions by the REIT or InvIT will be based on the net cash flows available for distribution. The amount of cash available for distribution principally depends upon the amount of cash that the REIT/INVIT receives as dividends or the interest and principal payments from portfolio assets. The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

6.2.4 **Structured Notes & Securitised debt instruments Related Risks:**

Presently, secondary market for such securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investments to resell them. Even if a secondary market develops and 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;

- Securitized transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investor's Representative. 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. On persistent default of an Obligor to repay his obligation, the Seller may repossess and sell the underlying Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor;

- The Structured Notes like the Index linked securities, in which funds are proposed to be invested in, are high risk instruments. A small movement in returns generated by the underlying index could have a large impact on their value and may also result in a loss;

- The Issuer of equity index linked securities or any of its Agents, from time to time may have long or short positions or make markets including in NIFTY indices, futures and options (hereinafter referred to as "Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the securities, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The foregoing activities of 'The issuer of Index linked securities' or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the securities. In particular, the value of the securities could be adversely impacted by a movement in the Reference Assets, or activities in elated markets, including by any acts or inactions of 'The Issuer of index linked securities' or any of its Agents;

- The equity Index linked securities, even after being listed, may not be marketable or may not have a market at all;

- The returns on the Structured securities, primarily are linked to the S&P CNX Nifty Index and/or any other equity benchmark as the Reference Asset, and even otherwise, may be lower than prevalent market interest rates or even be nil or negative depending entirely on the movement in the underlying index and futures values as also that over the life of the securities (including the amount if any, payable on maturity, redemption, sale or disposition of the securities) the security holder may receive no income/return at all or negative income/return on the security, or less income/return than the security-holder may have expected, or obtained by investing elsewhere or in similar investments;

- The return on investment in securities would depend on the prevailing market conditions, both domestically as well as internationally. The returns mentioned in the term sheets are indicative and may or may not accrue to an investor accordingly;

- In equity index linked securities, in the event of any discretions 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 if 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 shall be used as deemed fit by the issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the investor, and no liability there for will attach to the issuer of equity index linked securities/ AMC;

- There is a risk of receiving lower than expected or negligible returns or returns lower than the initial investment amount in respect of such equity index linked securities over the life and/or part thereof or upon maturity of the securities;

- At any time during the life of such securities, the value of the securities may be substantially less than its redemption value. Further, the price of the securities may go down in case the credit rating of the Company or issuer goes down;

- The securities and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer of equity index linked securities;

- The Issuer of equity index linked securities or any person acting on behalf of the Issuer of equity index linked securities, may have an interest/position as regards the

Portfolio Manager and/or may have an existing banking relationship, financial, advisory or other relationship with them and/or may be in negotiation/discussion with them as to transactions of any kind;

- The Issuer of equity index linked securities or any of its Agents, have the legal ability to invest in the units offered herein and such investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the investor, and/or its assets.

6.2.5 **Macro-Economic risks**

Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to monetary or fiscal policies, changes in government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.

6.2.6 **Liquidity Risk**

The Portfolio Manager may, from time to time, invest any undeployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid fund returns are not guaranteed, and it entirely depends on market movements.

- In case of investments in schemes of Mutual Funds/Alternative Investment Funds & Venture Capital Funds, the Client shall bear the recurring expenses and performance fee, if any, of the Portfolio Management Services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.

- Risks Factors associated with transaction in Units through stock exchange(s): In respect of transaction in Units of the Scheme through BSE and / or NSE, allotment and redemption of Units on any Business Day will depend upon the order processing / settlement by BSE and / or NSE and their respective clearing corporations on which the Fund has no control.

- ETF may trade above or below their NAV. The NAV of ETF will fluctuate with changes in the market value of Scheme's holdings of the underlying stocks. The trading prices of ETF will fluctuate in accordance with changes in their NAVs as well as the market supply and demand of ETF. However, given that ETF can be created and redeemed only in Creation Units directly with the Mutual Fund, it is expected that large discounts or premiums to the NAVs of ETFs will not sustain due to the availability of arbitrage possibility.

Any changes in trading regulations by the Exchange(s) or SEBI may affect the ability of marker makers to arbitrage resulting in wider premium/ discount to NAV for ETFs. The portfolio may not be able to achieve the stated objective in case of any trading halt in the market.

- After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.

- The investment objectives of one or more of the investment approach could result in concentration of a specific asset/asset class/sector/issuer etc., which could expose the client's assets to risks arising out of non-diversification, including improper and/or undesired concentration of investment risks;

- The portfolio manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client's portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the Portfolio Manager.

- The Portfolio Manager may utilize the services of the Group Companies and / or any associate company established or to be established at a later date, in case such a company is in a position to provide requisite services to the Portfolio Manager. The group and associate companies of the Portfolio Manager are engaged in providing various financial services and in connection with the investments made or advised by the Portfolio manager, the said group companies may receive fees or remuneration in the form of arranger fees, distribution fee, depository fee, referral fee, management fee, trustee fee, commission, brokerage, transaction charges, underwriting charges and other fees. The Portfolio Manager will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on arm's length basis and at mutually agreed terms and conditions and to the extent permitted under SEBI Regulations after evaluation of the competitiveness of the pricing offered and the services to be provided by them.

6.2.7 **Interest Rate Risk**

This risk is associated with movements in interest rates, which depends 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.

6.2.8 **Force Majeure Risk**

In certain cases, the value of securities may be impacted by external factors such as acts of State, eminent domain, acts of God, or sovereign action, acts of nature, acts of war, epidemic, pandemic, civil disturbance, which may affect the liquidity of securities, value of underlying asset.

6.2.9 **Capital Risk**

The Client stands the risk of total loss of value of the investment which forms part of the Portfolio or its recovery only through an expensive legal process due to factors which by way of illustration include default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise, disputes raised by third parties.

6.2.10 **Derivative Risks**

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.

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. 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. 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. 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. 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. 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.

6.2.11 **Market Risk**

Market values, liquidity and risk: return profile of investments (investment characteristics) in equities are likely to fluctuate depending on performance of the industry, national and international economies, regulations and changes therein - domestically and internationally, events that are of significant impact such as war, terrorism, sanctions and trade embargoes, natural calamities, acts of God, epidemic, pandemic etc. Market values, liquidity and yields of fixed and variable income instruments are likely to fluctuate depending on the prevailing interest rates in the market, liquidity preferences, impact cost changes, re-ratings of the issuer or the instruments, competing instruments, etc.

6.2.12 **Stock Specific Risk**

Performance of the issuer companies will have significant influence on market prices of its securities. This will further depend on, in addition to external factors, its own ability to perform, management, changes therein, frauds by and on the management etc. These are known as internal risks.

6.2.13 **Transaction and Settlement Risk**

The Portfolio faces additional risks such as timing risks, short delivery or delayed delivery from markets, reduced liquidity, etc.

6.2.14 **Portfolio Manager Competency Risk**

The Portfolio faces risks based on management and operational efficiencies and controls of the Portfolio Manager i.e., the risk is based on ability of the Portfolio Manager in identifying opportunities or misjudging trends and late investments and/ or early liquidations, either at a loss or at reduced profits, or misjudging opportunities completely.

6.2.15 **Allied Service Provider Risk**

The Portfolio faces risks due to other service providers that the Portfolio Manager may engage to render the services such as banking, broking, clearing and settlement, custodian services, courier services, auditing services etc.

6.2.16 **Portfolio Allied Operations Risk**

The Client also faces risks from usage of technology for recording transactions and accounts, communication of information to and fro, data computing and storage, leakages of data / information from various points including at the Portfolio Manager's operations etc.

6.2.17 **Regulatory Risk**

Changes made by the government in any of the policy parameters, including in respect of taxation, etc., that affect working of companies have positive / negative impact on market prices of those stocks and to that extent, in the value of the Portfolio. Such changes may also apply to the manner in which Portfolio is being operated and on taxability of profits made on divestment, tax treatment for dividends, etc.

6.2.18 **Income Tax Risk**

The tax aspects of an investment in shares and securities in India are complicated and each investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor. The tax consequences for any investment will depend on circumstances specific to each investor and the additional peculiarities associated with respect to the investments. Further, there is a risk that the income tax authorities may recharacterize the income/returns provided to you, which may lead to higher incidence of direct and indirect tax. In certain circumstances where the securities purchased by the Client may derive their value from income generated from the underlying asset, the income tax authorities may have claims pending the underlying asset, which may impact your income/returns from such asset.

6.2.19 **Vacancy Risk**

In certain circumstances, the Securities purchased by the Client may derive their value from income generated from the underlying asset. In such cases, the value and return on the securities may be impacted in case the underlying asset is not able to generate income, which may be due to various factors. Further, the Portfolio Manager may offer investment opportunities to other clients, which may compete with the investment made by you.

6.2.20 **Title Risk**

As a Portfolio Manager, we may appoint advisors and service providers to undertake due diligence of underlying asset, however, there is an inherent risk associated with any due diligence exercises as it relies on the vendor to provide all information, accurately and truthfully.

6.2.21 **Litigation Risk**

The value and marketability of the Securities or the underlying asset may be impacted due to commencement of litigation in relation to the Client, the issuer of Security or the underlying asset through which the Securities derive their value.

6.2.22 **Key Person Risk**

Key persons of the Portfolio Manager may be involved in various capacities (such as directors or shareholders) with the issuer of Securities purchased the Client and there may be a potential non-alignment or conflict of interest in such cases. Some of the transactions between the Portfolio Manager and the issuer of Securities purchased by the Client will be treated as related party transactions. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the Client's Portfolio. Further, a disclosure of conflict of interest related to services offered by group companies of the Portfolio Manager, if any, shall also be made.

7 CLIENT REPRESENTATION

7.1. Details of client Representation (Rs. In Cr)

1. Details of the clients managed by True Beacon LLP is mentioned below:

Category of Clients	Number of Clients			Funds managed* (INR Crores)			Discretionary/ Non-Discretionary (if available)		
	2022-23	2023-24	As on 28th Feb 2025	2022-23	2023-24	As on 28th Feb 2025	2022-23	2023-24	As on 28th Feb 2025
Associates / group companies (last 3 years)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Others (last 3 years)	27	142	333	103.5	363.65	586.49	Discretionary	Discretionary	Discretionary
Total	27	142	333	103.5	363.65	586.49	-	-	-

**Data as of 28th February 2025 for only Discretionary/ non-Discretionary clients. It doesn't comprise of Advisory clients data. The Portfolio Manager began its operations in the year 2022.*

7.2 Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India.

Please refer to **Annexure C** of this Disclosure Document for the disclosure in this regard.

8 THE FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER BASED ON AUDITED FINANCIAL STATEMENTS AND IN TERMS OF PROCEDURE SPECIFIED BY SEBI FOR ASSESSING THE PERFORMANCE

Please note that the financial performance of the Portfolio Manager, as disclosed under **Annexure D**.

9 PORTFOLIO MANAGEMENT PERFORMANCE OF THE PORTFOLIO MANAGER FOR THE LAST THREE YEARS

In case of Discretionary Portfolio Manager, disclosure of performance indicators calculated using "Time Weighted Rate of Return" method in terms of Regulation 22 of the PMS Regulations. The following returns are net of management fees and any other charges levied by the Portfolio Manager.

Investment Approach	Particulars	1 Year	2 Year	Since Inception
Equity Factor Quant (EFQ)	Portfolio Performance of PM (%)	-4.76	26.07	18.85
S&P BSE 500 (TRI)	Benchmark Index	-0.41	17.84	11.38
Bespoke Equity	Portfolio Performance of PM (%)	1.14	14.17	13.06
S&P BSE 500 (TRI)	Benchmark Index	-0.41	17.84	15.25
Bespoke Debt	Portfolio Performance of PM (%)	15.56	11.82	10.23
NIFTY Medium to Long Duration Debt Index	Benchmark Index	7.89	8.26	7.54
Bespoke Cash	Portfolio Performance of PM (%)	4.05	2.72	2.74
NIFTY Medium to Long Duration Debt Index	Benchmark Index	7.89	8.26	8.2

Flexi Cap Fundamental Opportunities (FFO)	Portfolio Performance of PM (%)	-2.5	-	9.38
S&P BSE 500 (TRI)	Benchmark Index	-0.41		12.87

**Data as of 28th February 2025 as per the Reports submitted to SEBI. The Portfolio Manager began its operations in the year 2022.*

NOTES:

- NA means Not Applicable as the Investment Approach was either not in existence or had no clients during the period.
- The returns for the Investment Approach and benchmark have been calculated since inception of the portfolio. The information provided herein is not verified by SEBI.
- Please note that performance of the portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

    - the timing of inflows and outflows of funds; and
    - differences in the portfolio composition because of restrictions and other constraints.

10 AUDIT OBSERVATIONS OF THE PRECEDING THREE YEARS – no observations for statutory audit.

11 NATURE OF EXPENSES

The following are indicative types of costs and expenses for Clients availing the Portfolio Management Services. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Agreement and/or the agreements in respect of each of the services availed by the Client at the time of execution of such agreements. 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 daily average Assets Under Management (AUM).

11.1. **Investment management and advisory fees**:

1. The standard annual fee shall be agreed upon between the Portfolio Manager and the Client while executing the PMS Agreement and added as a schedule to the PMS Agreement. The Portfolio Manager shall at all times comply with the PMS Regulations and other related amendments introduced by SEBI from time to time in respect of the matters dealt with by the said circulars with respect to fees and charges.

2. Performance/ profit sharing fee of the Portfolio Manager shall be computed on the basis of highwater mark principle over the life of the investment, as prescribed by the aforesaid circulars. The performance / profit sharing fee shall be agreed between the Portfolio Manager and the Client while executing the PMS Agreement.

3. High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly. The Portfolio Manager shall charge performance-based fee only on increase in portfolio value in excess of the previously achieved high water mark.

4. High Water Mark shall be applicable for Discretionary and Non-Discretionary Services and not for Advisory Services. In case of interim contributions/ withdrawals by Clients, performance fees may be charged after appropriately adjusting the high-water mark on proportionate basis.

11.2. **Custodian, Registrar and transfer agent, and brokerage fees:**

Over and above the performance fee and the transactions cost as mentioned above, the Portfolio Manager would recover charges levied by the custodian for acquiring, holding, sale & transfer of investments in de-materialised form (like custody charges, transaction charges, depository charges, out of pocket expenses, etc., at actual), audit fees for auditing and reporting of individual Client's account and any other charges that the Portfolio Manager may have to incur while running the portfolio management services. The above fees, transaction cost and other charges shall be directly debited to the Client's account as and when the same becomes due for payment.

These include:

i. Custodian/Depository fees: The charges relating to opening and operation of dematerialized accounts, custody and transfer charges for shares, bonds and units, dematerialization and other charges in connection with the operation and management of the depository accounts.

ii. Registrar and transfer agent fee: Charges payable to registrars and transfer agents in connection with effecting transfer of securities and bonds including stamp charges; cost of affidavits, notary charges, postage stamp and courier charges.

iii. Brokerage costs: The brokerage charges would be payable at actuals. The Portfolio Manager may avail securities broking services from other SEBI registered stockbrokers empanelled by the Company from time to time.

iv. Other transaction costs: Other charges like service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments.

11.3. **Transaction Costs:**

Transactions Cost: Brokerage and / or Transaction cost on transactions would be levied at the prevailing rates charged by the brokers and /or any such other intermediary (+) applicable goods and services tax (+) stamp duty (+) securities transaction tax (+) turnover tax (+) any other levies thereon, as may be applicable from time to time.

11.4. **Distribution Fees:**

Fees shall be paid to distributors only from the fees received by Portfolio Manager. The Portfolio Manager shall ensure that its distributors abide by the code of conduct prescribed by SEBI under PMS Regulations and any other circulars issued in this regard from time to time.

Also please note that the fees charged by the Portfolio Manager from the client for rendering portfolio management services is without guaranteeing or assuring, either directly or indirectly, any return. The Portfolio Manager shall charge no upfront fee, directly or indirectly, to the clients. All statutory duties and levies including GST at applicable rates shall be levied on the charges mentioned above.

Any modification in the existing terms, shall be intimated to the client by written communication. The standard fee structure along with the costs involved is annexed as **Annexure E**.

12 TAXATION

12.1 **General**

This summary on Indian tax matters contained herein is based on existing law as on the date of this memorandum. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. In view of the nature of tax consequences, each client is advised to consult their respective tax advisor with respect to the specific tax consequences to the client arising from participation in the investment approaches. Clients are best advised to take independent opinion from their tax advisors/ experts for any income earned from such investments.

The following is a summary of certain relevant provisions of the Income-tax Act, 1961 (‘ITA’)as amended by the Finance Act, 2024 (‘Finance Bill’)read along with Income-tax Rules, 1962, (‘Rules’) and various circulars and notifications issued thereunder from time to time. The Finance Bill 2025 has not yet been passed into an act and hence the tax provisions as affected under the Finance Act 2024 have been stated here.

The summary is based on laws, regulations, rulings and judicial decisions now in effect, and current administrative rules, practices and interpretations, all of which are subject to change, with possible retrospective effect.

Further, the statements with regard to benefits mentioned herein are expressions of views and not representations of the Portfolio Manager to induce any client, prospective or existing, to invest in the portfolio management schemes of the Portfolio Manager. Implications of any judicial decisions/ double tax avoidance treaties etc. are not explained herein. Clients should not treat the contents of this section of the Disclosure Document as advice relating to legal, taxation, investment or any other matter. In view of nature of the tax benefits, interpretation of circulars for distinguishing between capital asset and trading asset, etc., the client is advised to best consult their own tax consultant, with respect to specific tax implications arising out of their portfolio managed by the Portfolio Manager. This information gives the direct tax implications on the footing that the securities are/ will be held for the purpose of investments. In case, the securities are held as stock-in-trade, the tax treatment will substantially vary and the issue whether the investments are held as capital assets or stock-in-trade needs to be examined on a case to case basis. There is no guarantee that the tax position prevailing as on the date of the Disclosure Document/ the date of making investment shall endure indefinitely.

The Portfolio Manager accepts no responsibility for any loss suffered by any client as a result of current taxation law and practice or any changes thereto. It is the responsibility of all prospective clients to inform themselves as to any income tax or other tax consequences arising in the jurisdictions in which they are resident or domiciled or have any other presence for tax purposes, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the securities.

12.2 **Tax Rates**

The tax rates mentioned below relate to Financial Year 2024-25 (Assessment Year 2025-26).

The Finance Act, 2024, has provided an option to Individuals and HUF for payment of taxes at the following reduced rates from Assessment Year 2025-26 and onwards:

Tax Rates applicable for FY 2024-25 (Assessment Year 2025-26) for Individuals and HUF:

Type	***Old Regime***			***New Regime as per section 115BAC***	
Age Bracket	***< 60 Yrs***	***60 - 80 Yrs***	***>80 Yrs***	***All Age Groups of Individuals***	
Total Income (INR)	***Rate****	***Rate***	***Rate***	***Total Income (INR)***	***Rate****
Up to 250000	NIL	NIL	NIL	Up to 3,00,000	NIL
From 250,001 to 300000	5%	NIL	NIL	From 3,00,001 to 7,00,000	5%

From 300,001 to 500000	5%	5%	NIL	From 7,00,001 to 10,00,000	10%
From 500,001 to 10,00,000	20%	20%	20%	From 10,00,001 to 12,00,000	15%
Above 10,00,001	30%	30%	30%	From 12,00,001 to 15,00,000	20%
				Above 15,00,000	30%

*These are also applicable rates for persons other than individuals (HUF, AOP, BOI, and Artificial Juridical Person)

Note for New Tax Regime u/s 115BAC: -

1. With effect from 1st April 2024, the applicable rates under section 115BAC shall apply to individuals, HUF, AOP, BOI and Artificial Juridical Person.

2. In case Taxpayer is earning Incomes other than Income from Business or Profession, Option to follow alternative tax regime u/s 115BAC can be exercised every year in Income Tax Return itself.

As per Finance Act, 2024 the applicable rate of surcharge on business income for financial year 2024- 25 are as follows:

Type/ Range of Income	Firm	Domestic Company	Foreign Company
INR 10 million to INR 100 million	12%	7%	2%
Exceeding INR 100 million	12%	12%	5%
Special Tax rate u/s 115BAA and 115BAB	NA	10%	NA

Surcharge is levied on the amount of income-tax at following rates if total income of any other resident or non-resident Assessee exceeds specified limits: -

Financial Year 2024-25			
Range of Income (Under Old Regime)			
INR 5 million to INR 10 million	*INR 10 million to INR 20 million*	*INR 20 million to INR 50 million*	*Exceeding INR 50 million*
10%	*15%*	*25%*	*37%*

Financial Year 2024-25		
Range of Income (Under New Regime) as per Section 115BAC		
INR 5 million toINR 10 million	*INR 10 million to INR 20 million*	*Exceeding INR 20 million*
10%	*15%*	*25%*

Note:

1. The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.

2. As per Finance Act,2024 Maximum rate of Surcharge @ 15% will be levied on any Long-Term; which is currently applicable only to capital Gains of Listed Shares u/s 111A and 112A and, Dividend Income whereas maximum Surcharge for balance income was 37%. Hence tax rate on long-term capital gains earned by Individual & HUF will be 12.5% (plus applicable surcharge & education cess) from 23rd July Onwards financial year 2024-25.

Further, for Financial Year 2024-25 (Assessment Year 2025-26) the health and education cess at 4% is leviable.

I. <u>Taxation in hands of Investors</u>
<u>Taxation of resident investors:</u>

a. Dividend Income:

Dividend income from shares should be taxable in the hands of the shareholders under section 56 of the IT Act under at the applicable rates for residents. Provided that no deduction shall be allowed from the dividend income, or income in respect of units of a Mutual Fund specified under clause (23D) of section 10 or income in respect of units from a specified company defined in the Explanation to clause (35) of section 10, other than deduction on account of interest expense, and in any previous year such deduction shall not exceed twenty per cent of the dividend income, or income in respect of such units, included in the total income for that year.

Further, the Indian company declaring dividend would be required to deduct tax at 10% (in case of payment to resident investors)

As per the amended provisions, the dividend income (net of deductions, if any) shall be taxable at the following rates:

Dividend income earned by	Tax rate for domestic investors
Resident companies (Refer Note 1 and 2)	30%
Firms / LLPs	30%
Others (Refer Note 3)	As per applicable slab rates and surcharge being restricted to 15%

Note 1: In case of domestic company, the rate of income-tax shall be 25% of the total income, if the total turnover or gross receipts of the financial year 2021-22 (assessment year 2022-23) does not exceed four hundred crore rupees and where the companies continue in section 115BA regime.

Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.

Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates, The income would, however, have to be computed without claiming prescribed deductions or exemptions.

Note 4: The enhanced surcharge of 25% & 37%, as the case may be, is not levied, from income chargeable to tax under sections 111A (Tax on Short Term Capital Gain), 112A (Tax on Long Term Capital Gain) and 115AD (Tax on Foreign Institutional Investors from Securities or Capital Gains Arising from Their Transfer) or income arising due to dividend. Hence, the maximum rate of surcharge on tax payable on such incomes shall be 15%.
Prior to Finance Act, 2020, distributions from a mutual fund were also exempt in the hands of all unitholders under Section 10(35) of the IT Act, irrespective of their residential status, provided the mutual fund distributing the income has withheld tax at rates prescribed under section 115R of the IT Act on the amount distributed, declared or paid. With effect from 01st April 2020, distributions from Mutual fund shall be taxable in the hands of the investor at applicable rates.

b. Interest Income:

Under the IT Act, interest income should be taxable in the hands of the resident clients as under:

Interest Income received by	**Tax Rate of domestic clients**
Resident companies (Refer Note 1 and 2)	30%
Firms/LLP	30%
Others (Refer Note 3)	As per applicable slab rates for FY 2024-25

Note 1: Such reduced tax rate of 25%, is applicable in case of domestic Companies having total turnover or gross receipts not exceeding INR 400 crores in the financial year 2021-22 (assessment year 2022-23).
Note 2: As per the Taxation Laws (Amendment) Act, 2019, the tax rates for resident companies exercising the option under section 115BAA and section 115BAB of the IT Act shall be 22% and 15% respectively (plus applicable surcharge and health and education cess), subject to the fulfilment of conditions prescribed in the said sections.
Note 3: A new section 115BAC in the IT Act. As per the said section, resident Individual, HUF, AOP, BOI and Artificial Juridical Person will have an option to pay tax on their total income at the reduced tax rates, The income would, however, have to be computed without claiming prescribed deductions or exemptions.

Taxation of non-resident investors:

A non-resident investor would be subject to taxation in India only if;

- Regarded a tax resident of India; or

- Being a non-resident in India, derives (a) Indian-sourced income; or (b) if any income is received / deemed to be received in India; or (c) if any income has accrued / deemed to have accrued in India in terms of the provisions of the IT Act.

Section 6 of the IT Act was amended by the Finance Act, 2015 to provide that a foreign company in that year. The Finance Act, 2016 provided that the said amended provisions are effective from April 1, 2017. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The Finance Act, 2020 has certain changes to the provisions which deal with the determination of residential status of individuals. The same are mentioned as under:

Amendments to determine Residential Status for Individuals:

A new provision of Deemed Residency has been introduced by way of insertion of Explanation (1A) to Section 6(1). The conditions are as under:

- Citizen of India
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs
- Such person is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature;

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.
Further, as per Section 6(1)(c), citizen of India, or a person of Indian origin who being outside India comes on a visit to India have been given a relaxation whereby they shall treated as Resident of India only if their stay in India is 182 days or more instead of 60 days in that year. In order to avoid misuse of such extended period of 182 days, the exception provided to persons visiting India has been reduced to 120 days (income above Rs. 15 lakhs) from existing 182 days.

The provisions of Not Ordinarily Resident have also been changed by way of inserting new clause (c) to Section 6(6) with the following conditions:

- Citizen of India or a person of Indian origin who being outside India comes on a visit to India
- Stay in India of such person during the Financial Year is 120 days or more but less than 182 days
- Total Indian Income + Income of those Businesses which are controlled in India and Profession set-up in India exceeds Rs. 15 lakhs

If all the above conditions are fulfilled, then such Individual shall be treated as Resident but Not Ordinarily Resident (RNOR) in India.

The CBDT had vide its Circular dated January 24, 2017 issued guiding principles for determination concept being 'substance over form' and further provides that place where the management decisions are taken would be more important than the place where the decisions are implemented for determining POEM. The CBDT had vide circular dated 23 February 2017 clarified that provisions of Sec

6(3)(ii) relating to place of effective management (POEM) would not apply to companies having turnover or gross receipts less than Rs 500 million during the financial year.

Tax Treaty Benefit

As per Section 90(2) of the IT Act, the provisions of the IT Act would apply to the extent they are between India and the country of residence of the offshore investor to the extent of availability of Tax Treaty benefits to the offshore clients. However, no assurance can be provided that the Tax Treaty benefits would be available to the offshore investor or the terms of the Tax Treaty would not be subject to amendment or reinterpretation in the future.

Tax Residency Certificate

Section 90(4) of the IT Act provides that in order to claim Tax Treaty benefits, the offshore investor has to obtain a TRC as issued by the foreign tax authorities. Further, the offshore investor should be required to furnish such other information or document as prescribed. In this connection, the CBDT vide its notification dated August 1, 2013 amended Rule 21AB of the IT Rules prescribing certain information in Form No 10F to be produced along with the TRC, if the same does not form part of the TRC.

The details required to be furnished are as follows:

- Status (individual, company, firm, etc.) of the assessee:
- Nationality {in case of an individual) or country or specified territory of incorporation or registration (in case of others);
- Assessee's Tax Identification number in the country or specified territory of resident and in case there is no such number, then, a unique number on the basis of which the person is identified by the Government of the country or the specified territory of which the assessee claims to be a resident;
- Period for which the residential status, as mentioned in the TRC, is applicable, and
- Address of the assessee in the country or specified territory outside India, during the period for which the certificate is applicable.

The additional information prescribed above may not be required to be provided if it already forms a part of the TRC.

Characterization of Income

Traditionally, the issue of characterization of exit gains (whether taxable as business income or capital gains) has been a subject matter of litigation with the Indian Revenue authorities. There have been judicial pronouncements on whether gains from transactions in securities should be taxed as 'business income' or as 'capital gain'. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case.

Regarding characterization of income from transactions in listed shares and securities, the Central 2016, wherein with a view to reduce litigation and maintain consistency in approach in assessments, it has instructed that income arising from transfer of listed shares and securities, which are held for

Interest Income received by	Tax Rate of non-resident clients
Firm and LLP	30%
Individual, HUF, AOP, BOI	As applicable tax rates for FY 2024-25
Foreign Corporate investors	35%

more than twelve months would be taxed under the head 'Capital Gains' unless the tax-payer itself treats these as its stock-in-trade and consider thereof as its business income.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F. No. 225/12/2016/ ITA.II dated May 2, 2016 stating that income arising from transfer of unlisted a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or
- The transfer of unlisted shares is made along with the control and management of underlying business and the Indian Revenue authorities would take appropriate view in such situations.

The tax implications in the hands of investors on different income streams are discussed below:

a) **Dividend Income**

Dividend income from shares should be taxable in the hands of the shareholders under section 56 of the IT Act under at the applicable rate of 20% (plus surcharge and health and education cess) for non-residents (subject to treaty benefits, if any)].
Further, the Indian company declaring dividend would be required to deduct tax at rates in force (in case of payment to non-resident investors), subject to certain exceptions.

b) **Interest Income**

For F.Y.2024-25, any income in the nature of interest income would be subject to tax at the following rates:

The rates mentioned here are subject to availability of Tax Treaty benefit. If any.

In case the investments made by the non- by the special tax provisions under Chapter XII-A of the IT Act and if the NRI clients opt to be governed by these provisions under the IT Act, the interest income from specified assets should be taxable at the rate of 20% (plus applicable surcharge & fees). 'Specified asset' means shares in an Indian Company, debentures issued by an Indian public Company, deposits with an Indian public Company and any security of the Central Government as defined in Public Debt Act.

As per the IT Act, interest on rupee denominated corporate bonds and government securities payable to FPI would be subject to tax at the rate of 20 %.

c) **Capital Gains**

Assuming the gains arising from sale of capital assets such as shares and securities of the companies is characterised as capital gains in hands of the resident Client, such Client be liable to pay taxes on capital gains income as under:

- Period of holding

Capital assets are classified as long-term assets (“LTCA”) or short term assets (“STCA”), based on the period of holding of these assets. The period of holding of the asset is computed from the date of acquisition to the date of transfer. Depending on the period of holding for which the shares and securities are held, the gains would be taxable as short- -term capital gains (“STCG”) or long-term capital gains (“LTCG”). This is discussed below:

Type of instrument	Period of holding upto 22nd July	Characterization	Period of holding 23rd July Onwards	Characterization
Listed securities (other than a unit) / Unit of equity- oriented Fund / Zero Coupon Bonds	More than 12 months	Long Term Capital Asset	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset	12 months or less	Short Term Capital Asset
Unlisted shares	More than 24 months	Long Term Capital Asset	More than 24 months	Long Term Capital Asset
	24 months or less	Short Term Capital Asset	24 months or less	Short Term Capital Asset
Unlisted Bonds & Debentures	More than 36 months	Long Term Capital Asset	Irrespective of period of holding	Short Term Capital Asset
	36 months or less	Short Term Capital Asset		
Listed Bonds & Debentures	More than 12 months	Long Term Capital Asset	More than 12 months	Long Term Capital Asset
	12 months or less	Short Term Capital Asset	12 months or less	Short Term Capital Asset

- Taxation of capital gains

Capital gains should be taxed in the hands of the Investors as per the IT Act as under:

Nature of Income	**Tax Rate for Resident Investors**			**Tax rate for Non-Resident Investors**		
	Corporates	**Individuals/HUF / AOP/ BOI**	**Others (Firms, LLPs)**	**Corporates**	**Individuals/HUF / AOP/ BOI**	**Others (Firms, LLPs)**

Short-term capital gains on transfer of: (i) Listed equity shares on are recognized stock exchange; (ii) to be listed equity shares sold through offer for sale; or (iii) units of equity oriented mutual fund on which STT has been paid	15% up to 22nd July & 20% from 23rd July 2024	15% Upto 22rd July 2023 & 20% from 23rd July 2024	15% up to 22nd July 2024 & 20% from 23rd July 2024	15% up to 22nd July & 20% from 23rd July 2024	15% up to 22nd July & 20% from 23rd July 2024	15% upto 22nd July & 20% from 23 July 2024
Long-term capital gains on transfer of: (i) listed equity shares on a re recognized stock exchange; (ii) to be listed equity shares sold through offer for sale; (iii) units of equity oriented mutual fund on which STT has been paid	10% up to 22nd July 2024 & 12.5% from 23rd July 2024	10% up to 22nd July 2024 & 12.5% from 23rd July 2024	10% up to 22nd July 2024 & 12.5 % from 23rd July 2024	10% up to 22nd July 2024 & 12.5%from 23rd July 2024	10% up to 22nd July 2024 &12.5% from 23rd July 2024	10% upto 22nd July 2024 & 12.5 % from 23rd July 2024
Other short-term capital gains (Listed Bond) (Unlisted Equity)(Unlisted Bonds)(Unlisted other Securities	30% for F.Y. 2024-25	Applicable tax rate for F.Y. 2024-25	30% for F.Y.2024 -25	35 % for FY 2024-25	Applicable tax rate for F.Y. 2024-25	30 % for FY 2024-25 (For FPI)

Long-term capital gains on transfer of listed bonds or listed debentures	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 &from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%
Long-term capital gains on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid (without indexation)	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%	10% upto 22nd July 2023 & from 23rd July 2024 12.50%
Long-term capital gains on transfer of unlisted bonds or unlisted debentures (without indexation)	10% Upto 22nd July 2024 & 23rd July 2024 Onwards 30	10% Upto 22nd July 2024 & from 23rd July 2024 as per applicable tax rate for F.Y. 2024-25	10% Upto 22nd July 2024 & 23rd July 2024 Onwards 30	10% upto 22nd July 2024 & 35 from 23rd July 2024	10% upto 22nd July 2024 & from 23rd July 2024 as per applicable tax rate for F.Y. 2024-25	10% upto 22nd July 2024 & 30 from 23rd July 2024 (for FPI)

Note 1: *Surcharge is as applicable refer page no 24 & 25.*

Note 2: *There was an ambiguity under the Income Tax Act on whether unlisted securities of private limited companies are covered by the definition of unlisted securities. Restricting the above lower tax rate only to transfer of unlisted securities of public companies (and excluding private companies) did not seem to be the intent behind the legislative changes. The ITA, vide Finance Act, 2016 provide for lower tax rate on transfer of long-term capital asset on shares of a company not being a company in which the public are substantially interested, which includes private companies.*

In case the investments made by the NRI investors are entitled to be governed by the special tax provisions under Chapter XII-A of the IT Act and if the NRI investors opt to be governed by these provisions under the IT Act, (i) any long-term capital gains should be taxable at the rate of 10% (plus applicable surcharge and cess) upto 22nd July & after that at 12.50% from 23rd July 2024 for F.Y.2024-25 and (ii) any investment income should be taxable at 20.00% (plus applicable surcharge and cess) for F.Y.2024-25 upto date of sale 22nd July 2024.

Note 3: *The Finance Act, 2018 has introduced a new regime for taxation of long term capital gain on sale / other transfers of (a) equity shares in a company (b) unit of an equity-oriented fund and (c) a unit of business trust (where such transaction is chargeable to securities transaction tax) where the exemption has been withdrawn under section 10(38) and are made taxable under section 112A.It is taxable with effect from Assessment Year 2019-20 i.e. it will apply to any shares sold after 31st March 2018.The gains covered under section 112A shall be taxable at the concessional rate of 10% (excluding surcharge and cess) with threshold limit of Rs. 1 lakh. Further, the Long Term Capital gains which will be realized after 31st March 2018, on existing holding (i.e., shares etc. acquired up to 31st January, 2018) to the extent of fair market value as on 31st January, 2018 shall also not be chargeable to tax. Thus, the gain over and above the fair market value as on 31st January 2018 only will be taxable @ 10 % (excluding surcharge and cess).*

Note 4: *As per Section 115F of the IT Act, long term capital gains arising to a non-resident Indian on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in any specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. "Foreign exchange asset" means any specified asset which the assessed has acquired or purchased with, or subscribed to in, convertible foreign exchange.*

Note 5: *<u>Specified Mutual Fund</u>: The Finance Act, 2023 had introduced taxation of deemed Short-term Capital Gains for Marked Linked Debentures and Specified Mutual Funds. However, the requirement of classification of Specified Mutual Funds adversely impacted the taxation of Exchange Traded Funds, Gold Mutual Funds and Gold ETFs. So, it is proposed to revise the definition of Specified Mutual Funds as:*

a. Mutual Fund which invests more than 65% of its total proceeds in debt and money market instrument (as classified or regulated by SEBI); or

b. Fund which invests more than 65% of its total proceeds in units of fund referred in sub- clause (a) This will facilitate the taxation of Exchange Traded Funds, Gold Mutual Funds and Gold ETF at lower rate of 12.5%.

- Deemed Sale Consideration on sale of unquoted shares

As per Section 50CA of IT Act, introduced by Finance Act, 2017, if there is a transfer of unquoted shares of a company at a value lesser than the fair market value, then the fair market value would be deemed to be the full value of sale consideration for computing the capital gains for such unquoted shares. The CBDT has issued final rules for computation of FMV for the purpose of section 50CA of the IT Act.

d) **Gains arising on buy-back of shares by company**

For buybacks that are carried out before 1st October 2024, as per the section 10(34A) of the IT Act, gains arising on buy-back of shares (including shares listed on a recognised stock exchange) are exempt in the hands of investors. However, as per section 115QA of the IT Act, a tax at the rate of 20% (plus applicable surcharge and health and education cess) is payable by an Indian company on distribution of income by way of buy-back of its shares if the buy-back is in accordance with the provisions of the Companies Act. Such distribution tax is payable on the difference between consideration paid by such Indian company for the purchase of its own shares and the amount that was received by the Indian investee company at the time of issue of such shares, determined in the manner prescribed. In this regard, Rule 40BB of IT Rules provide for mechanism for determining the amount received by the Indian company in respect of issue of shares.

For buy-backs that are carried out on or after 1 October 2024, the amount paid by a domestic company on buy-back of shares should be taxed as deemed dividend in the hands of the shareholders. The cost of acquisition of the bought back shares should be treated as Capital Loss in the hands of the shareholder. The shareholder will be eligible to set off the capital loss (equivalent to the cost of acquisition of shares).

e) **Deemed income on investment in shares / securities of unlisted companies in India**

As per section 56(2)(x) of the IT Act, as inserted by Finance Act 2017, where any person receives any property, including shares and securities from any person for a consideration which is lower than the FMV by more INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as 'Income from Other Sources' ("**Other Income**"). The rules for determining the FMV of shares and securities have been prescribed under the IT Rules. Accordingly, such Other Income would be chargeable to tax as follow:

Particulars	For resident investors	For offshore investors
In case of companies	30% for F.Y. 2024-25	35% for F.Y. 2024-25
In case of individuals / HUFs /AOPs / BOIs	Applicable tax rates for F.Y. 2024-25	Applicable tax rates for F.Y. 2024-25
In case of other investors	30% for F.Y. 2024-25	30% for F.Y. 2024-25

f) **Issue of shares at a premium by a private company**

In case, a resident subscribes to the shares of an Indian closely held company at a premium and the total consideration for subscription exceeds the face value of such shares, the difference between the total consideration for subscription and FMV of such shares would be considered as income from other sources. The same would be subject to tax in the hands of the investee companies under section 56(2)(viib) of the IT Act.

For the above purposes, the FMV of shares would be determined as per detailed rules prescribed or as may be substantiated by the Company to the satisfaction of the tax officer based on the value of assets and liabilities, whichever is higher.

g) **Redemption Premium**

There are no specific provisions under the IT Act, with regard to the characterization of the premium received on redemption of debentures. Considering the fact that the securities are held as a capital asset, premium on redemption of securities can either be treated as 'interest' or 'capital gains'. The characterization of premium on redemption of securities as interest or a capital gains has to be decided based on factors surrounding the relevant case. Taxability of 'interest' and 'capital gains' in the hands of the investors is provided in earlier paragraphs.

h) **Minimum Alternate Tax**

The IT Act provides for levy of Minimum Alternate Tax ('MAT') on corporates if the tax amount calculated at the rate of 15% (plus applicable surcharge and cess) of the book profits, as the case may be, is higher than the tax amount calculated under the normal provisions of the IT Act. Where MAT has been paid, credit is available in subsequent financial years for the MAT paid in excess of income-tax payable in a financial year. This credit should be eligible to be carried forward for 15 years and set-off against future income-tax payable to the extent normal income-tax payable exceeds MAT in that financial year.

As per the Taxation Laws (Amendment) Ordinance, 2O19 No. 15 of 2019, MAT should not apply in case of domestic companies exercising option under section 115BAA and section I15BAB of the ITA. If MAT is held to be applicable to the clients, then income receivable by such clients from their investment in the PMS shall also be included to determine the MAT.

The MAT provisions are not applicable to a non-resident if, (a) the assessee is a resident of a country with which India has DTAA and the assessee does not have a permanent establishment in India; or (b) the assessee is a resident of a country with which India does not have a Tax Treaty and is not required to seek registration under the Indian corporate law.

i) **Alternate Minimum Tax**

As per the IT Act, if the income-tax payable on total income by any person other than a company is less than the alternate minimum tax, the adjusted total income is deemed to be the total income of that person and he is liable to pay income-tax on such total income at the rate of 15% excluding applicable surcharge and health and education cess). Such provisions are not applicable if the adjusted total income does not exceed INR 20 lakhs.

Further, the above provisions are not applicable in case of a person who exercises the option referred to in section 115BAC or section 115BAD of the IT Act.

j) **Capital Gains Tax implications on conversion of convertible debentures**

Conversion of debentures of a company into shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible debentures of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible debenture would be deemed to be the cost of acquisition of such equity shares. Further, the holding period of the equity shares would commence from the date of subscription of debentures irrespective of date of conversion.

k) **Capital Gains Tax implications on conversion of preference shares**

Conversion of preference shares of a company into equity shares of that company is not regarded as a transfer under the IT Act. Hence, no capital gains would arise in the hands of the PMS on conversion of convertible preference shares of a Company into equity shares. At the time of transfer of the converted equity shares, the cost of acquisition of a convertible preference share would be deemed to be the cost of acquisition of such equity shares. Further, the period of holding of the convertible preference shares will be considered for determining the period of holding of the resultant equity shares.

II. Securities Transaction Tax

Delivery based purchases and sales of equity shares traded on recognized Indian stock exchanges are subject to STT at the rate of 0.1% on the transaction value of purchase or sale. Further, STT @ 0.2% on the transaction value is also leviable on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a stock exchange. STT is levied on the seller @ 0.025% on the sale of equity share in a company or unit of an equity oriented mutual fund for transaction executed in recognised stock exchange, settled otherwise than by actual delivery.

III. Bonus Stripping

In case of units purchased within a period of 3 months prior to the record date (for entitlement of bonus units) and sold/transferred/redeemed within 9 months after such date, the loss arising on transfer of original units shall be ignored for the purpose of computing the income chargeable to tax. The loss so ignored shall be deemed as cost of acquisition of such bonus units.

IV. Withholding at a Higher Rate

The income tax provisions provide that where a recipient of income (which is subject to withholding tax) does not have a PAN, then tax is required to be deducted by the payer at higher of the following i.e. rates specified in relevant provisions of the IT Act, or rates in force or at 20%. However, this provision of the IT Act shall not apply in respect of payments in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset to a non-resident, subject to furnishing of certain details and documents. As per Rule 37BC of the ITR, the following details and documents are prescribed:

- Name, e-mail id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate; and
- Tax identification number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

V. Carry-forward of losses and other provisions (applicable to both Equity products irrespective of the residential status):

In terms of Section 70 read with Section 74 of the IT Act, short term capital loss arising during a year can be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during the subsequent 8 assessment years. A long-term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during the subsequent 8 assessment years.

VI. General Anti Avoidance Rule ("GAAR")

The Finance Act, 2013 introduced the amended GAAR provisions to be effective from FY 2015-16. However, the Finance Act, 2015 deferred the GAAR provisions by 2 years and it shall now be applicable to the income of FY 2017-18 and subsequent years. Further, investments made up to March 31, 2017 would be grandfathered and GAAR would apply prospectively only to investments made after April 1, 2017.

GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the 4 (four) tests mentioned below:

- Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- It results in direct / indirect misuse or abuse of the IT Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

In such cases, the tax authorities are empowered to reallocate the income from such arrangement or re-characterise or disregard the arrangement. Some of the illustrative powers are:

- Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- Ignoring the arrangement for the purpose of taxation law;
- Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- Looking through the arrangement by disregarding any corporate structure;
- Reallocating and re-characterizing equity into debt, capital into revenue, etc.
- Disregarding or treating any accommodating party and other party as one and the same person;
- Deeming persons who are connected to each other parties to be considered as one and the same person for the purposes of determining tax treatment of any amount.

The above terms should be read in the context of the definitions provided under the IT Act. Any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions shall be applied in accordance with such guidelines and subject to such conditions and manner as may be prescribed.

The GAAR provisions would override the provisions of a Tax Treaty in cases where GAAR is invoked. The necessary procedures for application of GAAR and conditions under which it should not apply, have been enumerated in Rules 10U to 10UC of the IT Rules. The IT Rules provide that GAAR should not be invoked unless the tax benefit in the relevant year does not exceed INR 30 million.

Further, recently on January 27, 2017, the CBDT has issued clarifications1 on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations.

VII. FATCA Guidelines

According to the Inter-Governmental Agreement read with the Foreign Account Tax Compliance Act (FATCA) provisions and the Common Reposing Standards (CRS), foreign financial institutions in India are required to report tax information about US account holders and other account holders to the Indian Government. The Indian Government has enacted rules relating to FATCA and CRS reporting in India, A statement is required to be provided online in Form 61B for every calendar year by 3l May. The Reporting Financial Institution is expected to maintain and report the following information with respect to each repayable account:

- The name, address, taxpayer identification number ('PIN') (assigned in the country of residence) and date and place of birth "DOB" and "POB" (in the case of an individual);
- where an entity has one or more controlling persons that are repayable persons:
  - TIN assigned to the entity by the country of its residence; and
  - name, address, DDB, POB of each such controlling person add TIN assigned to such controlling person by the country of his residence;
- account number (or functional equivalent in the absence of an account number);
- account balance or value (including, in the case of a cash value insurance contract or annuity contract, the cash value or surrender value) at the end of the relevant calendar year: and
- the total gross amount paid or credited to the account holder with respect to the account during the relevant calendar year.

Further, it also provides for specific guidelines for conducting due diligence of reportable accounts, viz.US reportable accounts and Other repayable accounts (i.e., under CRS).

VIII. Goods and Service Tax

From July 1, 2017 onwards, India has introduced Goods and Service Tax (GST). Post introduction of GST, many Indirect tax levies (including service tax) have been subsumed and GST shall be applicable on services provided by the Investment Manager and Trustee to the PMS. GST rate on such services is currently 18%. Accordingly, GST at the rate of 18% would be levied on fees if any, payable towards investment management fee and Trusteeship Fees payable by the PMS to the Investment Manager and Trustee, respectively.

THERE CAN BE NO GUARANTEE THAT THE ABOVE POSITION REGARDING TAXATION WOULD BE NECESSARILY ACCEPTED BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. NO REPRESENTATION IS

MADE EITHER BY THE PORTFOLIO MANAGER OR ANY EMPLOYEE, DIRECTOR, SHAREHOLDER OR AGENT OF THE MANAGER IN REGARD TO THE ACCEPTABILITY OR OTHERWISE OF THE ABOVE POSITION REGARDING TAXATION BY THE INDIAN TAX AUTHORITIES UNDER THE ITA. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS IN THIS REGARD.

13. ACCOUNTING POLICY

The following accounting policy will be applied for the Portfolio Investments of the Client:

a. Investments in listed equity and debt instruments will be valued at the closing market prices on the National Stock Exchange. If the Securities are not traded on the NSE on the valuation day, the closing price of the Security on the Bombay Stock Exchange will be used for valuation of Securities. In case of the securities that are not traded on the valuation date, the last available traded price shall be used for the valuation of securities. Investments in units of mutual funds shall be valued at the repurchase price of the previous day or at the last available repurchase price declared for the relevant Scheme on the date of the report.

b. Convertible Preference Shares will be valued at Fair Market Value. Such fair value may be determined comparing with peers, or by taking a comparable transaction, or it may be valued by an external agency appointed by the Portfolio Manager, on a periodic basis (once in a year).

c. Unlisted Equity will be valued as per the norms specified by APMI. Pursuant to APMI Circular Dated March 23, 2023, the unlisted equity shall be valued by an independent valuer on semi-annual basis.

d. Debt and Money market instruments would be valued based on prices received from APMI empanelled agencies namely CRISIL Limited / ICRA Analytics Limited /NSE Indices Limited.

e. Realised gains/losses will be calculated by applying the First In First Out principle.

f. Unrealized gains/losses are the differences between the current market value/Net Asset Value and the historical cost of the Securities.

g. Dividends on shares will be accounted for on ex-dividend date and dividends on units of mutual funds will be accounted for on receipt of information from the mutual fund house and interest, stock lending fees earned etc., will be accounted for on accrual basis. The interest on debt instruments will be accounted for on an accrual basis.

h. In respect of all interest-bearing investments, income must be accrued on a day to day basis as it is earned. Therefore, when such investments are purchased, interest paid for the period from the last interest due date up to the date of purchase will not be treated as a cost of purchase but will be debited to Interest.

i. For derivatives and futures and options, unrealized gains and losses is calculated by marking to market the open positions. Specifically, in case of certain option contracts, market quotes are not easily available through the exchange due to low liquidity. Considering this scenario, Portfolio Manager has appointed an external agency to do the valuation based on the latest reported trades and market accepted methodologies. External agency will share the quotes on daily basis, in case such a quote is not available, previous day quotes will be used by the Portfolio Manager. Maximum validity of such quote will be 30 days.

j. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale will not be treated as an addition to sale value but will be credited to Interest Recoverable Account.

k. Transactions for purchase or sale of investments will be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the financial statements for that year. Where investment transactions take place outside the stock market, for example, acquisitions through private placement or purchases or sales through private treaty, the transaction should be recorded, in the event of a purchase, as of the date on which there is enforceable obligation to pay the price or, in the event of a sale, when there is an enforceable right to collect the proceeds of sale or an enforceable obligation to deliver the instruments sold.

l. Bonus shares will be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements will be recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

m. The cost of investments acquired or purchased will include brokerage, stamp duty charges and any charge customarily included in the broker's contract note. In respect of privately placed debt instruments any front-end discount offered will be reduced from the cost of the investment.

n. The Portfolio Manager and the Client can adopt any specific norms or methodology for valuation of investments or accounting provided the same is mutually agreed between them on a case to case basis.

o. Purchases are accounted for at the cost of acquisition inclusive of brokerage, stamp duty, transaction charges and entry loads in case of units of mutual fund. Sales are accounted based on proceeds net of brokerage, stamp duty, transaction charges and exit loads in case of units of mutual fund. Securities Transaction Tax, Demat charges and Custodian fees on purchase/ sale transaction would be accounted as expense on receipt of bills. Transaction fees on unsettled trades are accounted for as and when debited by the Custodian.

p. In case of Portfolio received from the Clients in the form of securities, this will be accounted for at the previous day's closing price on NSE. Where the client withdraws Portfolio in the form of securities, the same will be accounted for on the date of withdrawal at the previous closing price. In case any of the securities are not listed on NSE or they are not traded on NSE on a particular day, the previous purposes.

q. Investments in the Alternate investment funds and Venture Capital funds will be valued at last available Net asset value declared by the issuer.

r. Tax deducted at source ('TDS') on interest / TDS on dividend received on equity shares and TDS on capital gain (for Non resident Indian clients) is shown as withdrawal from corpus. For clarification, no TDS is deducted on capital gains for resident clients and is the responsibility of the Client to pay such taxes to the authorities.

The Investor may contact the customer services official of the Portfolio Manager for the purpose of clarifying or elaborating on any of the above policy issues. The valuation of the securities not mentioned above shall be valued on a fair value basis as decided by the Portfolio Manager.

The Portfolio Manager may change the valuation policy for any particular type of security consequent to any regulatory changes or change in the market practice followed for valuation of similar securities.

14. INVESTORS SERVICES

14.1. **Name, address and telephone number of the Investor Relation Officer who shall attend to the Investor queries and complaints.**

Name	Mr. Saurabh Dhole
Address	New No. 114, Old No. 72/8, Cunnigham Road (SRT Road), Bangalore, Karnataka 560051 India
Telephone number	+91 8904474411
E – mail address	compliance@truebeacon.com

14.2. **Grievance redressal and dispute settlement mechanism**

a. The objective of grievance redressal system is to ensure that all clients are treated fairly at all times and that any complaints raised by the clients are dealt with courtesy and in time. The Portfolio Manager shall endeavour to address all complaints regarding services, deficiencies or causes for grievances, for whatsoever reason, in a reasonable and timely manner.

b. The Portfolio Manager and the Client agree that they shall make all attempts to resolve all differences and disputes, howsoever arising out of or in connection with the Agreement ("**Dispute**"), by mutual discussions with the intention of resolving the same amicably at the earliest. In the event, the Parties are unable to resolve the Dispute amicably, within a period of [21 days] from the date of such Dispute being communicated by the disputing Party to the other Party in writing ("**Dispute Notice**"), such dispute or differences shall be resolved in the manner as set out herein. It is clarified that the mechanism envisaged herein shall not be applicable to Disputes that are specifically excluded from the purview of PMS Regulations and other relevant circulars issued by SEBI from time to time pertaining to the "Online Resolution of Disputes in the Indian Securities Market" (as amended from time to time).

c. Notwithstanding anything to the contrary contained herein, all claims, differences or disputes between the Client and the Portfolio Manager arising out of or in relation to the portfolio management activities of the Portfolio Manager in the securities market shall be resolved through a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, as prescribed under Securities and Exchange Board Of India (Alternative Dispute

Resolution Mechanism) (Amendment) Regulations, 2023 read with the PMS Regulations and other relevant circulars issued from time to time pertaining to the "Online Resolution of Disputes in the Indian Securities Market' (collective referred to as '**ADR Mechanism**'), as amended, modified, supplemented, substituted, replaced and/or re-enacted, from time to time.

d. Provided further that, if the above point (c) becomes inapplicable or invalid by Applicable Law, the Parties to the Agreement agree as follows:

   i. The Parties shall make all attempts to resolve all differences howsoever arising out of or in connection with the Agreement by mutual discussion failing which, the Parties shall seek redressal by way of arbitration. The Parties agree that the discussions shall be held in the spirit of resolution of the issues that have arisen between them with the intention of resolving the issues amicably at the earliest. If the applicant Party is not satisfied with the outcome of the discussions, within 30 (thirty) calendar days from the receipt of the response, the applicant Party may seek redressal by way of arbitration.

   ii. The Parties shall be bound to submit all disputes and differences howsoever arising out of or in connection with the Agreement which are not amicably resolved, to a sole arbitrator (as mutually decided by the Parties). If the Parties fail to agree on the appointment of a sole arbitrator within 30 days of the dispute being referred to arbitration, the sole arbitrator shall be appointed in accordance with the Arbitration and Conciliation Act, 1996 as amended from time to time. The arbitration shall be governed by the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time, and will be seated out of Bengaluru.

   iii. The arbitrator shall be a person of professional repute who is not directly or indirectly connected with any of the Parties to the Agreement. The venue and seat of arbitration shall be Bengaluru. The language to be used in the arbitration proceedings shall be English.

   iv. Unless the arbitrator determines otherwise, each party to such arbitration shall bear its own expenses, including fees and disbursements of attorneys, accountants, financial experts, and witnesses, and any arbitration fees and expenses of the arbitrator shall be paid equally by the Parties.

   v. The award rendered by the arbitrator shall be final, conclusive and binding on all parties to this letter agreement and shall be subject to enforcement in any court of competent jurisdiction in India.

Nothing in this **Clause 14.2** shall be construed as preventing any Party from seeking conservatory or similar interim relief in any court of competent jurisdiction in India.

14.3. **Anti-Money Laundering Compliances:**

1. The Government of India has put a policy framework to combat money laundering through the Prevention of Money Laundering Act, 2002. Prevention of Money Laundering Act, 2002 and the rules notified there under came into effect from 1 July 2005. Director, FIU-IND, and Director (Enforcement) have been conferred with exclusive and concurrent powers under relevant sections of the Prevention of Money Laundering Act, 2002 to implement the provisions of the Prevention of Money Laundering Act, 2002. 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.

2. Further, SEBI vide Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/20]8/104 dated 15 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.

3. 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, 1961, Prevention of Money Laundering Act, 2002, Prevention of Corruption Act, 1988 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 does not comply with the internal policies of the Portfolio Manager or any of the Applicable Laws including the KYC requirements.

4. 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.

5. Investors are requested to note that KYC is mandatory for all investors. SEBI 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 has developed a mechanism for centralization of the KYC records in the securities market to bring about uniformity in securities markets.

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

7. As per the 2015 amendment to PML (Maintenance of Records) Rules, 2005, every reporting entity shall capture the KYC information for sharing with the Central KYC Records Registry in the manner mentioned in the PML (Maintenance of Records) Rules,

2005, as per the KYC template for 'Individuals' finalized by Central Registry of Securitisation Asset Reconstruction and Security Interest. Accordingly, the KYC template finalized by Central Registry of Securitisation Asset Reconstruction and Security Interest shall be used by the registered intermediaries as Part I of account opening form for individuals.

15. DETAILS OF INVESTMENTS IN THE SECURITIES OF RELATED PARTIES OF THE PORTFOLIO MANAGER

Sr. No	Investment Approach, if any	Name of the associate/related party	Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores)	Value of investment as on last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
	NIL	None	NIL	NIL	NIL

16. DETAILS OF THE DIVERSIFICATION POLICY OF THE PORTFOLIO MANAGER

16.1. Purpose

The purpose of this Diversification Policy is to outline the principles and guidelines for diversification activities undertaken by the Portfolio Manager. Diversification refers to the strategic allocation of investments across various asset classes, sectors, and geographical regions to manage risk and optimize returns. This policy aims to ensure that portfolio managers adhere to best practices in diversification and align their investment approaches with client objectives while also complying with specific exposure limits.

16.2. Scope

This policy applies to all investment approaches managed by the Portfolio Manager for making investment decisions on behalf of clients.

16.3. Policy Statement

The Portfolio Manager, in the course of portfolio construction and management, faces risks associated with specific securities, groups, industries etc. The manager, therefore, typically constructs a diversified portfolio so that no such concentration compromises on the objective of the investment approach. The manager's research, selection and weighing capabilities are designed to minimize risks emanating from the aforementioned modes of classification.

It is important to note that the above exposure limits shall be agreed upon with each client. Exposure limits may be higher or lower than the stated limits, depending on client-specific objectives, risk tolerance, and other relevant factors which shall be in consonance with the Regulations issued in this regard at all times.

16.4. Compliance

All portfolio managers shall comply with this policy, as well as any applicable laws, regulations, and industry standards governing portfolio diversification and exposure limits.

17. GENERAL

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written two-way agreement (DPMS and NDPMS agreement) between themselves.

The PMS Investment Strategies stated in this Disclosure Document are not available to unsolicited NRI/PIO/FPI (Foreign Portfolio Investors) clients. With effect from the date of this Disclosure Document, the Principal Officer may, in his sole discretion, permit, as an exception, provision of PMS services as stated in this Disclosure Document to an unsolicited NRI client on completion of certain KYC related additional formalities.

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True Beacon

For and on behalf of **True Beacon Investment Advisors LLP**

YASH BHATE **(Designated Partner)**	TRUE Beacon Investment Advisors LLP Authorised Signatory
FAIZAN SAIT **(Designated Partner)**	TRUE Beacon Investment Advisors LLP Authorised Signatory

Place: Bengaluru

Date: 26/03/2025

ANNEXURE A

INVESTMENT APPROACH OF THE PORTFOLIO MANAGER:

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 stock exchanges as well as such units of mutual funds (whether listed or unlisted), government securities, debt instruments, negotiable instruments, unlisted securities (only in case of non-discretionary services as permitted under the regulations), 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 in accordance with the PMS Regulations. 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 time during the currency of the agreement or any time thereafter except on the ground of malafide intent, fraud, conflict of interest or gross negligence.

The Portfolio Manager may enter into futures contracts, options on securities, options on indices, and similar investments. The Client may be required to provide initial margin payments, which shall be deemed known to them. 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 purpose of doing the above would be one or more of the following or a combination thereof:

1. To provide investment flexibility to the client across various market segments;

2. To generate a good return on investments;

3. 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 use of derivatives will vary from portfolio to portfolio which shall be in accordance with applicable regulations. In the pure equity portfolios, derivatives will be used primarily for hedging and portfolio rebalancing purposes. Hedging will be used with an objective of attempting to preserve capital in uncertain times, while portfolio rebalancing would include investing in derivatives instead of a direct investment in the cash market if the Portfolio Manager feels a certain position can be more effectively created using derivatives.

The Portfolio Manager aims to create direct - equity / direct allocation focussed Portfolios to reduce overall expense load on portfolios, creating the most capitally efficient Portfolios possible in line with every Client's risk profile and returns objectives.

A. Investment Approaches:

ii. We are currently offering the following investment approaches under both Discretionary and Non-Discretionary Services:

1. Equity Factor Quant (EFQ)

A. STRATEGIES CLASSIFICATION

Equity

B. INVESTMENT OBJECTIVE

The primary aim of this approach is to deliver excess risk-adjusted returns over the medium to long-term by investing in equity and equity-linked securities, Mutual Funds, liquid funds etc.

C. TYPES OF SECURITIES

The portfolio would primarily consist of listed equity securities. At any given point in time client portfolios can be expected to hold stocks belonging to the universe of BSE500 (as amended from time to time). The Portfolio Manager can also invest in liquid funds (including ETFs and Mutual funds) from time to time. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

D. BASIS FOR SELECTION OF SECURITIES

EFQ focuses on minimizing human biases by applying fundamental data signals systematically to its stock universe (i.e. BSE500).

E. INVESTMENT STRATEGY

The strategy aims to deliver superior risk-adjusted returns over the benchmark in the medium to long-term, by investing in a multi-factor portfolio of equity and equity linked instruments. The multi-factor model is constructed by using a combination of factors such as Value, Momentum and Low Volatility and is backed by academic research both globally and in India.

F. BENCHMARK

S&P BSE 500 (TRI)

G. JUSTIFICATION FOR BENCHMARK

Since the investment approach considers stocks beyond NIFTY50 list of stocks (as amended from time to time), the manager believes it is an appropriate benchmark.

H. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is for medium to long term.

I. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

J. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

2. Bespoke Equity

A. STRATEGIES CLASSIFICATION

Equity

B. INVESTMENT OBJECTIVE

The primary aim of this approach is to deliver excess risk-adjusted returns over the medium to long-term by investing in equity and equity-linked securities (including equity mutual funds, ETFs etc).

C. TYPES OF SECURITIES

The investment strategy will center around equities, offering a high level of customization to ensure it aligns with the specific requirements and preferences of each investor. This approach will take into account individual risk tolerance, investment goals, and market conditions, allowing for a tailored portfolio that reflects the unique objectives of the investor. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

D. BASIS FOR SELECTION OF SECURITIES

This approach is highly customizable with strong consideration of investor's requirements along with their risk tolerance.

E. INVESTMENT STRATEGY

The approach aims to meet investor objectives on various parameters including, but not limited to, returns, risks, liquidity etc. These objectives are expected to be achieved by investing in a diversified portfolio of equity and equity-related securities and mutual funds. The investment objectives are tailored to individual investors and hence holdings may vary from investor to investor.

F. BENCHMARK

S&P BSE 500 (TRI)

G. JUSTIFICATION FOR BENCHMARK

Since the investment approach considers stocks beyond NIFTY50 list of stocks (as amended from time to time), the manager believes it is an appropriate benchmark.

H. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is for medium to long term.

I. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

J. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity-oriented strategy in a time bound manner minimizing market timing risks.

3. Bespoke Debt

A. STRATEGIES CLASSIFICATION

Debt

B. INVESTMENT OBJECTIVE

The approach aims to meet investor objectives on various parameters including, but not limited to, returns, risks, liquidity etc.

C. TYPES OF SECURITIES

The investment strategy will centre around debt, offering a high level of customization to ensure it aligns with the specific requirements and preferences of each investor. This approach will take into account individual risk tolerance, investment goals, and market conditions, allowing for a tailored portfolio that reflects the unique objectives of the investor. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

D. BASIS FOR SELECTION OF SECURITIES

This approach is highly customizable with strong consideration of investor's requirements along with their risk tolerance.

E. INVESTMENT STRATEGY

The strategy is tailor made for the respective investor and aims to meet investor objectives on various parameters including, but not limited to, returns, risks, liquidity etc. These objectives are expected to be achieved by investing in a portfolio of including but not limited to debt, debt-linked products, commodities, ETFs, SGBs, Mutual Funds, Arbitrage Funds etc.. The investment objectives are tailored to individual investors and hence details will vary from client to client.

F. BENCHMARK

NIFTY Medium to Long Duration Debt Index

G. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is for medium to long term.

H. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

I. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

4. <u>Bespoke Cash</u>

A. STRATEGIES CLASSIFICATION

Debt

B. INVESTMENT OBJECTIVE

The approach aims to fulfil two purposes: (a) Either to hold certain reserves for short term or unplanned market opportunities or (b) To retain liquid reserves for an eventual deployment towards a broader wealth plan.

C. TYPES OF SECURITIES

This strategy will emphasize debt investments including liquid/ arbitrage Mutual Funds and ETFs, designed to be highly adaptable based on the specific requirements and aspirations of each investor. By considering individual risk preferences and market dynamics, the strategy aims to create a personalized portfolio that effectively meets the investor's expectations. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

D. BASIS FOR SELECTION OF SECURITIES

This approach is highly customizable with strong consideration of investor's requirements along with their risk tolerance.

E. INVESTMENT STRATEGY

The strategy is tailor made for the respective investor and aims to fulfil two purposes: (a) Either to hold certain reserves for short term or unplanned market opportunities or (b) To retain liquid reserves for an eventual deployment towards a broader wealth plan. Idea is to maximize cash yield, using overnight or similar duration funds which are considered under Cash and Cash Equivalent assets by the Indian bourses.

F. BENCHMARK

NIFTY Medium to Long Duration Debt Index

G. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is for short term.

H. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

I. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

5. **Flexi-Cap Fundamental Opportunities**

A. STRATEGIES CLASSIFICATION

Equity

B. INVESTMENT OBJECTIVE

The primary aim of this approach is to deliver excess risk-adjusted returns over the medium to long-term by investing in equity and equity-linked securities.

C. TYPES OF SECURITIES

The manager aims to hold primarily a portfolio of equity and equity-linked securities. However, from time to time, the manager may also invest in liquid mutual funds, liquid ETFs, index funds etc. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

D. BASIS FOR SELECTION OF SECURITIES

The portfolio will follow a bottom-up stock selection process and invest in companies across market capitalizations/sectors.

E. INVESTMENT STRATEGY

This approach aims to meet investor objectives on various parameters including, but not limited to, returns, risks, liquidity by investing in a diversified portfolio of equity or equity-linked securities. Selection of securities in this approach is made basis bottom-up, fundamental research and across market capitalisations/sectors. This approach is suitable for investors that have a medium to long time horizon.

F. BENCHMARK

S&P BSE 500 (TRI)

G. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is for medium to long term.

H. JUSTIFICATION FOR BENCHMARK

Since the investment approach does not have any market capitalisation restrictions on individual securities, the manager believes it is an appropriate benchmark.

I. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

J. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

6. <u>Select Equity Strategy</u>

A. STRATEGIES CLASSIFICATION

Equity

B. INVESTMENT OBJECTIVE

The strategy's investment objective is to generate long-term capital appreciation for investors with a high-risk appetite by creating a diversified portfolio. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

C. TYPES OF SECURITIES

The portfolio manager shall allocate funds across Equity & Equity related assets through securities including, but not limited to, Equity Mutual Funds, and/or ETFs.

D. BASIS FOR SELECTION OF SECURITIES

The Portfolio Manager uses quantitative and qualitative parameters to select the investments securities and assign weightage.

E. INVESTMENT STRATEGY

The portfolio manager will invest in equity-oriented instruments with the intent to generate returns through dividends and capital gains. The fund manager will dynamically allocate across various categories, including Large-Cap, Mid-Cap, Small-Cap, Value, Growth, Contra, and International, using both quantitative and qualitative parameters. This allocation will be guided by a thorough analysis of economic conditions, market trends, and individual security factors to optimize performance. The allocation for the portfolios will be 0-100% Equity and equity-related instruments.

F. BENCHMARK

NIFTY 50 (TRI)

G. JUSTIFICATION FOR BENCHMARK

Nifty 50 TRI index is designed to be a broad representation of the Indian market. Consisting of the top 50 companies listed at NSE covering all the major industries in the Indian economy.

H. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns, as envisaged by the portfolio manager, is long term.

I. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

J. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

7. Select Debt Strategy

A. STRATEGIES CLASSIFICATION

Debt

B. INVESTMENT OBJECTIVE

The strategy's investment objective is to generate stable returns for investors with a low to moderate risk appetite by creating a fixed income portfolio. As previously mentioned in the investment approach, the Portfolio Manager may use derivatives for hedging and portfolio rebalancing purposes.

C. TYPES OF SECURITIES

The portfolio manager shall allocate funds across Fixed income instruments and other asset classes that generate regular income through securities, including but not limited to debt mutual funds, arbitrage funds, bonds, and/or debentures.

D. BASIS FOR SELECTION OF SECURITIES

The Portfolio Manager uses quantitative and qualitative parameters to select the investment securities and assign weightage.

E. INVESTMENT STRATEGY

The strategy endeavours to generate stable returns for investors with a low to moderate risk appetite through diversified investments. The portfolio manager will invest in fixed income-oriented instruments and generate returns through interest coupons, income distribution and capital gains. Based on the current economic landscape and market outlook, the portfolio manager establishes the targeted Duration Risk and Credit Risk parameters. Securities that fall outside these predefined ranges are excluded from consideration.

F. BENCHMARK

CRISIL Composite Bond Fund Index Benchmark

G. JUSTIFICATION FOR BENCHMARK

CRISIL Composite Bond Fund Index tracks the performance of a debt portfolio that includes government securities and AAA/AA+/AA rated corporate bonds.

H. INDICATIVE TENURE OR INVESTMENT HORIZON

The recommended time horizon for adequate portfolio returns as envisaged by the portfolio manager is long term.

I. RISK ASSOCIATED WITH INVESTMENT APPROACH

Please refer to Clause 6 – Risk Factors for detailed risks associated with investment approach.

J. OTHER SALIENT FEATURES, IF ANY

Investments into the strategy can be done using the systematic transfer plan (STP) that enables investors to stagger investments into the equity oriented strategy in a time bound manner minimizing market timing risks.

B. Trading in Derivatives

SEBI in terms of Securities and Exchange Board of India (Portfolio Managers) Amendment Regulations, 2020 and pursuant to circular no. SEBI/RPM circular no. (2002-2003) dated February 5, 2003 and circular no. MFD/CIR/21/ 25467/2002 dated December 31, 2020, has permitted all the Portfolio Managers to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. As per SEBI (PMS) regulations, it shall be ensured that the liability of the client does not exceed the amount of money invested under the PMS. The total exposure in derivatives will be calculated basis on the guidance received from SEBI in this regard/ prevalent guidelines and client liability shall not exceed portfolio funds placed by clients with the portfolio manager. The Portfolio manager will in essence invest and not borrow on the client's behalf.

Pursuant to this, the Portfolio Managers may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance the clients 'interest.

C. Systematic Transfer Plan

Investors have the option to deploy funds into the Portfolio Manager's strategies in a systematic manner through a Systematic Transfer Plan ("**STP**"). In this option the subscription amount will be invested initially in Bespoke Cash or Bespoke Debt Approach, from where the funds will be switched into the selected Portfolio/Investment Approach in a systematic manner.

All STP transactions will be effected by redemption of investments in Bespoke Cash or Bespoke Debt Portfolio on a specified frequency (specified dates / months etc.). In the event specified date is a non-business day, the succeeding business day will be the effective date for such transaction.

D. Systematic Investment Plan

Under these facilities, the client will make the initial investment of minimum Rs. 50 Lakhs and then deployment under Systematic Investment Plan ("**SIP**") will be done either on a monthly or weekly basis as decided by the Portfolio Manager with the client from time to time.

ANNEXURE B

True Beacon Investment Advisors LLP ('True Beacon' or 'the Applicant')

Particulars of Associate Companies / Group companies

Sr. No.	Name of the Company	Type of Activity handled	Nature of Interest of Applicant Company	Name of the Promoter
1	Zerodha Broking Limited	Registered Broker	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath
2	Zerodha Capital Private Limited	Non-Banking Financial Company ('NBFC')	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath
3	Zerodha Commodities Private Limited	Registered commodities Broker	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath
4	Straddle Capital Private Limited	Financial Intermediary	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath
5	Rainmatter Capital Private Limited	Financial Intermediary	Entity with common key managerial person	Nikhil Kamath / Nithin Kamath
6	NKSquared Global Pvt Ltd	Investment Entity	Enterprises over which Partner along with its relatives have significant influence	Nikhil Kamath / Nithin Kamth
7	Open Trade Investment Advisors Pvt Ltd	Financial Intermediary	Enterprises over which Partner along with its relatives have significant influence	Nikhil Kamath / Nithin Kamath
8	Zerodha Technology Private Limited	Software publishing, consultancy, and supply	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath

9	Trustx Internet Private Limited	IT/ITES	Indirect Control on the Company through Promoters	Nikhil Kamath / Nithin Kamath
10	Zerodha Asset Management Private Limited	Financial Intermediary	Indirect Control on the Company through Promoters	Nikhil Kamath
11	Zerodha Trustee Private Limited - Z	Financial Intermediary	Indirect Control on the Company through Promoters	Nikhil Kamath
12	Kamath Technology LLP	IT/ITES	Entity with common key managerial person	Nikhil Kamath/ Nithin Kamath
13	NKSquared	Investment Entity	Entity with common key managerial person	Nikhil Kamath / Nithin Kamath
14	Pravan Holdings LLP	Real Estate	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
15	Vanlavino Cafe LLP	Food & Beverages	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
16	Teddy Toes LLP	Manufacturing	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
17	Anthill Esprit Food And Beverages LLP	Food & Beverages	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai

18	Gruhas Proptech LLP	Investment entity	Indirect Control on the Company through Promoters	Abhijeet Pai and Nikhil Kamath
19	Infra Bazaar Tech Private Limited	Infrastructure Tech	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
20	Infra Bazaar Private Limited	Infrastructure Product Commerce	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
21	Gruhas Realty Investment Partners Private limited	Financial Intermediary	Subsidiary	Nikhil Kamath, Abhijeet Pai & Nikhil Kamath
22	Gruhas Collective Fund Advisors LLP	Financial Intermediary	Indirect Control on the Company through Promoters Note: Gruhas hold 50% LLP	Nikhil Kamath, Abhijeet Pai & Nikhil Kamath
23	Riskilla Technology Private Limited	IT/ITES	Enterprises over which Partner along with its relatives have significant influence	Nikhil & Nithin Kamath
24	PMF INFRA EQUIPMENT COMPANY PRIVATELIMITED	Manufacturing	Enterprises over which Partner along with its relatives have significant influence	Abhijeet Pai
25	Oceanearth Projects Pvt. Ltd.	Hospitality	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath, Abhijeet Pai & Nikhil Kamath

26	Thick leafy Properties LLP	Real estate	Entity with common key managerial person	Nithin Kamath, Abhijeet Pai & Nikhil Kamath
27	THICK TREE COVER LLP	Real estate	Entity with common key managerial person	Nithin Kamath, Abhijeet Pai & Nikhil Kamath
29	Thick Acres LLP	Real estate	Entity with common key managerial person	Nithin Kamath, Abhijeet Pai & Nikhil Kamath
30	Fitopiens Pvt Ltd (Via Kamath Technology LLP)	Sports and Health	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
31	Mandya Organic Foods Private Limited (Via Zerodha Commodities Private Limited)	Production of Organic Items	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
32	Rewild Retret LLP	Real Estate	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath
33	WTF Global Private Limited	Media Communications	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
34	FINFAM Private Limited	financial intermediary services	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath

35	Tacterial Consulting Private Limited	Insurance Brokers	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
36	Streak AI Technologies Pvt Ltd	Investment Advisors	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
37	Quicko Infosoft Private Limited	Fintech	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
38	Sandbox Financial Technologies Private Limited	Fintech	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
39	Kamath Associates	Investment Entity	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath
40	NKSquared Solutions LLP	Investment Entity	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath
41	Nksquared Ventures	Investment Entity	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath
42	Rainmtter Fintech Investments	Investment Entity	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath

43	Rainmatter Climate Investments	Investment Entity	Entity with common key managerial person	Nithin Kamath & Nikhil Kamath
44	Rainmatter Foundation	Charitable Institution	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath & Nikhil Kamath
45	Samagata Foundation	Charitable Institution	Enterprises over which Partner along with its relatives have significant influence	Nithin Kamath
46	Glory Warm LLP	Real Estate	Entity with common key managerial person	Nithin Kamath, Nikhil Kamath & Abhijeet Pai
47	Vireo Vista LLP	Real Estate	Entity with common key managerial person	Nithin Kamath, Nikhil Kamath & Abhijeet Pai
48	Discovery Infra Ventures LLP	Real Estate	Entity with common key managerial person	Nithin Kamath, Nikhil Kamath & Abhijeet Pai

ANNEXURE C

Disclosure in respect of transactions with related parties is as stated under:

A. List of Related parties over which control exist:

Sr. No.	Name	Relationship
1	Nikhil Kamath	Partner and KMP
2	Nithin Kamath	Partner and KMP
3	Abhijeet Pai	Partner and KMP
4	Richard Edward George Pattle	Designated Partner and KMP
5	Saransh Maheshwari	Designated Partner and KMP

B. List of Enterprises in KMP/ Relative of KMP exercises significant influence:

Sr. No.	Name	Nature of Relationship
1	Nikhil Kamath	Partner and KMP
2	Nithin Kamath	Partner and KMP
3	Abhijeet Pai	Partner and KMP
4	Richard Edward George Pattle	Designated Partner and KMP
5	Saransh Maheshwari	Designated Partner and KMP
6	Revathi Kamath	Relative of Partner
7	Seema Patil	Relative of Partner
8	Nithin Kamath HUF	HUF of Partner
9	ETS Securities Private Limited	Entity with common key managerial person
10	Foss United Foundation	Entity with common key managerial person
11	Gruhas Proptech LLP	Entity with common key managerial person
12	Kamath Associates Karnataka	Entity with common key managerial person

13	Kamath Technology LLP	Entity with common key managerial person
14	NK Enterprise Holding Limited	Entity with common key managerial person
15	Nksquare realty LLP	Entity with common key managerial person
16	NKSquared	Entity with common key managerial person
17	Nksquared Investment Private Limited	Entity with common key managerial person
18	Open Trade Investment Advisors private Limited	Entity with common key managerial person
19	Rainmatter Capital Private Limited	Entity with common key managerial person
20	Rainmatter Climate Investments	Entity with common key managerial person
21	Rainmatter Fintech Investments	Entity with common key managerial person
22	Rainmatter Foundation	Entity with common key managerial person
23	Rainmatter Land Development Private Limited	Entity with common key managerial person
24	Samagata Foundation	Entity with common key managerial person
25	Straddle Capital Private Limited	Entity with common key managerial person
26	Trustx Internet Private Limited	Entity with common key managerial person
27	Vs	Entity with common key managerial person

28	Zerodha Asset Management Private Limited	Entity with common key managerial person
29	Zerodha Broking Limited	Entity with common key managerial person
30	Zerodha Capital Private Limited	Entity with common key managerial person
31	Zerodha Cares	Entity with common key managerial person
32	Zerodha Commodities Private Limited	Entity with common key managerial person
33	Zerodha Employee Gratuity Trust	Entity with common key managerial person
34	Zerodha (IFSC) Private Limited	Entity with common key managerial person
35	Zerodha Mutual Funds	Entity with common key managerial person
36	Zerodha Technology private limited	Entity with common key managerial person
37	Zerodha Trustee Private Limited	Entity with common key managerial person
38	Pravan Holdings LLP	Enterprises over which Partner along with its relatives have significant influence
39	Vanlavino Cafe LLP	Enterprises over which Partner along with its relatives have significant influence
40	Green Casa Developers LLP	Enterprises over which Partner along with its relatives have significant influence
41	Teddy Toes LLP	Enterprises over which Partner along with its relatives have significant influence

42	Urban Fields Realty LLP	Enterprises over which Partner along with its relatives have significant influence
43	Gruhas & Lumos Investment Advisors LLP	Enterprises over which Partner along with its relatives have significant influence
44	Infra Bazaar Tech Private Limited	Enterprises over which Partner along with its relatives have significant influence
45	Infra Bazaar Private Limited	Enterprises over which Partner along with its relatives have significant influence
46	Puzzolana Machinery Fabricator (Hyderabad) LLP	Enterprises over which Partner along with its relatives have significant influence
47	Vanitha Rubber Products LLP	Enterprises over which Partner along with its relatives have significant influence
48	Puzzolana Limited	Enterprises over which Partner along with its relatives have significant influence
49	Mahalasa Engineering Works Private Limited	Enterprises over which Partner along with its relatives have significant influence
50	Venkateshwara Machinery Works Private Limited	Enterprises over which Partner along with its relatives have significant influence
51	Puzzolana Estates Private Limited	Enterprises over which Partner along with its relatives have significant influence
52	Lotus Chocolate Company Ltd	Enterprises over which Partner along with its relatives have significant influence
53	Sree Rajeswari Dairy Products (India)Private Limited	Enterprises over which Partner along with its relatives have significant influence

54	Wear Steels Private Limited	Enterprises over which Partner along with its relatives have significant influence
55	Aryan Precisions Private Limited	Enterprises over which Partner along with its relatives have significant influence
56	V S P Ispat Private Limited	Enterprises over which Partner along with its relatives have significant influence
57	P.M.F. Engineering Private Limited	Enterprises over which Partner along with its relatives have significant influence
58	P.M.F. Infra Equipment Company Private Limited	Enterprises over which Partner along with its relatives have significant influence
59	PMFL Machinery Private Limited	Enterprises over which Partner along with its relatives have significant influence
60	Gruhas & Lumos Alternate Investment Advisors Private Limited	Enterprises over which Partner along with its relatives have significant influence
61	Riskilla Software Technologies Private Limited	Enterprises over which Partner along with its relatives have significant influence
62	GRUHAS COLLECTIVE FUND ADVISORY LLP	Enterprises over which Partner along with its relatives have significant influence
63	Gruhas Realty Investment Partners Private limited	Enterprises over which Partner along with its relatives have significant influence
64	Oceanearth Projects Pvt. Ltd.	Enterprises over which Partner along with its relatives have significant influence
65	Thick Acres LLP	Enterprises over which Partner along with its relatives have significant influence

66	Thick leafy Properties LLP	Enterprises over which Partner along with its relatives have significant influence
67	THICK TREE COVER LLP	Enterprises over which Partner along with its relatives have significant influence
68	Vrithi Estates	Enterprises over which Partner along with its relatives have significant influence

C. Name of the Related Parties with whom transaction were carried out during the year and description of relationship*:

Relationship	Name of Related Party
Key Management Personnel	Nikhil Kamath
Key Management Personnel	Nithin Kamath
Key Management Personnel	Richard Edward George Pattle
Key Management Personnel	Abhijeet Pai
Key Management Personnel	Saransh Maheshwari

*Transactions with related parties made in F.Y. 2023-24

D. Summary of Transaction with Related Parties*:

Transaction	Name of the related Party	Key Management Personnel's	Relative of Key Management Personnel's	Enterprises in KMP/ Relative of KMP exercises significant influence
Capital Contribution	Nikhil Kamath	3,00,00,000		
Capital Contribution	Nithin Kamath	3,00,00,000		
Capital Contribution	Abhijeet Pai	6,44,00,000		
Partner Emoluments	Richard Edward George Pattle	2,39,44,200		
Partner Emoluments	Saransh Maheshwari	29,50,000		

*transactions with related parties made in F.Y. 2023-24

ANNEXURE D

Financial Performance Based on Audited Financial Statements

	For Financial Year ended March 31, 2024 (Amount in INR)	For Financial Year ended March 31, 2023 (Amount in INR)	For Financial Year ended March 31, 2022 (Amount in INR)
Revenue For Operations	15,19,06,941	2,53,81,470	4,16,41,809
Other Income	6,06,544	7,35,688	7,26,322
Expenses	19,36,01,321	19,56,89,350	14,27,22,071
Profit / (Loss) before Tax	(4,10,87,836)	(16,95,72,191)	(10,03,53,940)
Provision for Taxation			
Profit / (Loss) after Tax	(4,10,87,836)	(16,95,72,191)	(10,03,53,940)
Capital Account	91,08,69,179	78,64,69,079	55,58,69,079

Annexure – E

FEE STRUCTURE

Discretionary & Non- Discretionary Portfolio Management Services:

- "Financial year" means the period from April 1 to March 31.
- "Anniversary year" means last day of the calendar month from a period of one year from the date of investment.
- "Weighted average daily portfolio value" means the value of the portfolio of each Client determined in accordance with the relevant provisions of the agreement executed with the Client and includes market value of assets inclusive of all securities, both realized and unrealized gains/ losses, and cash balances.

Fee Structure	**Flexi Cap Fundamental Opportunities**	**Equity Factor Quant**	**BeSpoke Equity**	**BeSpoke Debt**	**BeSpoke Cash**	**Equity Blend Strategy / Select Equity Strategy / Multi Sphere Equity Strategy**	**Debt Blend Strategy / Select Debt Strategy / Multi Sphere Debt Strategy**
Management Fee	1.0% p.a	1.0% p.a	1%p.a	0.5%p.a	0.01%	Management Fee and/or Performance Fee may be fixed charge or a percentage of the quantum of funds manages or linked to portfolio returns achieved or a combination of any of these, as agreed by the client in the Client Agreement.	Management Fee and/or Performance Fee may be fixed charge or a percentage of the quantum of funds manages or linked to portfolio returns achieved or a combination of any of these, as agreed by the client in the Client Agreement.
Performance Fee	5.0% p.a	5.0% p.a	-	-	-		
Performance Fee Trigger	10% p.a	10% p.a	-	-	-	-	-

Basis of Computation:

1. **Management Fee:** Shall be charged on Weighted average daily portfolio value on a quarterly basis in arrears;

2. **Performance Fee:** Shall be payable only when ▢ Financial Year / ▢ Anniversary Year ending portfolio returns are higher than the Performance Fee Trigger. It is calculated on the absolute gains of the portfolio and is payable annually at the conclusion of each ▢ Financial Year / ▢ Anniversary Year; and

3. **Performance Fee Trigger:** Post Expenses, computed on the opening net asset value at the beginning of the relevant ▢ Financial Year / ▢ Anniversary year.

SR. NO.	DESCRIPTION OF EXPENSES	DESCRIPTION (Amount IN INR)	FREQUENCY OF PAYING
1.	Exit Load	Subject to limits given under Note (b.) below	At the time of redemption
2.	Brokerage	Based on actuals	As per actuals on regular basis
3.	Custodian/Depository fees	Based on actuals	As per actuals on regular basis
4.	Registrar and transfer agent fees	Based on actuals	As per actuals on regular basis
5.	Operating expenses such as custody charges, fund accounting charges, legal charges, audit certification, professional charges, attestation fees, securities lending & borrowing cost, charges in respect of Securities, franking & notary charges, etc.	Based on actuals not exceeding 0.5%	As per actuals on regular basis
6.	Charges such as service charge, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments (if any)	Based on actuals	
7.	Transaction costs	At prevailing rates charged by the brokers or any such other intermediary (+) applicable goods and services tax (+) stamp duty (+) securities transaction tax (+) turnover tax (+) any other levies	

Notes:

a. The Performance Fee charged to Clients shall be (a) 5% where the Client redeems the whole of part of its Assets on a first in first out ("FIFO") basis. The first Performance Fee for the Client shall accrue and become due and payable at (a) the end of ▢ Financial Year / ▢ Anniversary year or (b) the date of redemption, whichever is earlier.

b. The Exit Load shall be charged at the sole discretion of the Portfolio Manager, at the time of exit based on the duration that the Assets are held with the Portfolio Manager. In the event that the Client redeems the whole or part of its Assets, exit load shall be applicable on a FIFO basis on the total amount which shall be redeemed as follows: (a) 1% of the Assets redeemed if the redemption is carried out within the first year from the date of the investment (b) subsequently, the exit load shall be Nil.

c. The above will be subject to applicable Goods and Services Tax and other statutory levies which may differ from time to time as per changes in tax laws.

d. All fees and charges shall be levied on the actual amount of Clients' assets under management.
e. In case of interim contributions/ withdrawals by the Client, performance fees will be charged after appropriately adjusting the performance fee trigger and high-water mark on proportionate basis.

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ILLUSTRATION ON FEES AND CHARGES

Particulars	Year 1	Year 2	Year 3	Year 4
Initial corpus	1,00,00,000.00	1,16,91,000.00	90,95,598.00	88,95,494.84
Hurdle rate of return (A) - Soft Hurdle	10%	10%	10%	10%
Performance fee over hurdle rate (B)	5%	5%	5%	5%
Fixed Fee (C)	1.50%	1.50%	1.50%	1.50%
Brokerage p.a. (D)	0.20%	0.20%	0.20%	0.20%
Other Expenses (E)	0.50%	0.50%	0.50%	0.50%
Rate of return on the portfolio (I)	20%	-20%	0%	55%

Sl. No	Particulars	Year 1		Year 2		Year 3		Year 4	
1	Amount invested by Client/Opening Value	1,00,00,000		1,16,91,000		90,95,598		88,95,495	
2	Portfolio Returns during the year (=I*1)	20,00,000		23,38,200		-		48,92,522	
3	Brokerage and Transaction cost @ 20bps (=D * 1)	20,000		23,382		18,191		17,791	

4	Other Expenses(= E*1)	50,000		58,455		45,478		44,477	
5	Fixed Management Fee (= C * 1)	1,50,000		1,75,365		1,36,434		1,33,432	
6	Pre-performance fee closing value of portfolio (1+2-3-4-5) Note : If this value exceeds the high water mark, only then shall performance fee be charged to the client	1,17,80,000	1,20,00,000	90,95,598	93,52,800	88,95,495	90,95,598	1,35,92,316	1,37,88,017
7	Returns realised by investor (pre-performance fee) over High Water Mark (= (6-14)/14*100) [For Year 1, returns over initial corpus would be considered]	17.80%		-22.79%		-24.49%		15.38%	
8	Returns realised by investor over hurdle rate (= 7-A, and in case of	7.80%		0%		0%		5.38%	

	negative returns, it shall be zero)								
9	Performance fee levied by PM (in %) (Perf. Fee = 7*B)	0.89%		0%		-1.22%		0.77%	
10	Amount of performance fee recovered by PM (high-watermark applicable) on Capital Amount (= 9*1)	89,000		-		-		68,427	
11	Total Charges During the year (=3+4+5+10)		3,09,000		2,57,202		2,00,103		2,64,128
12	Net Value of the portfolio at the end of year (=1+2-11)		1,16,91,000		90,95,598		88,95,495		1,35,23,889
13	Overall Returns to investor in % (=(12-1)/1) *100		16.91%		-22.20%		-2.20%		52.03%
14	High Water Mark for calculation of performance fee for the next		1,17,80,000		1,17,80,000		1,17,80,00		1,35,92,316

	performance period								

True Beacon

FORM C

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

True Beacon Investment Advisors LLP
Address: New No. 114, Old No. 72/8, Cunnigham Road (SRT Road), Bangalore – 560 051
Telephone number: 9663903202
E-mail: compliance@truebeacon.com

We confirm that:

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

ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Manager;

iii) the Disclosure Document has been duly certified by an independent chartered accountant, Mr. Vikas Morzaria, Morzaria & Associates, Bungalow No. 3, Vini Garden 2, SM Road, Dahisar (West), Mumbai – 400068, Tel No:- 022 35636054, bearing registration number (Membership No.108691) 129763W (enclosed is a copy of the chartered accountants' certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision)

Place: Bengaluru TRUE Beacon Investment Advisors LLP

Authorised Signatory

Mr. Saurabh Dhole

Principal Officer

Date: 26 March 2025

Morzaria & Associates
Chartered Accountants

Bungalow No. 3 Vini Garden 2,
SM Road, Dahisar (West),
Mumbai 400 068
Telephone: +91 22 3145 2749

The Partners,
True Beacon Investment Advisors LLP
New No. 114, Old No. 72/8,
Cunnigham Road (SRT Road),
Bangalore 560 051

Verification of particulars stated in the portfolio management services disclosure document

We have verified the adequacy of the particulars stated in the portfolio management services disclosure document, as at March 26, 2025 prepared by True Beacon Investment Advisors LLP, for the purpose of filing with the Securities and Exchange Board of India (SEBI), in accordance with the Fifth Schedule of the SEBI (Portfolio Managers) Regulations, 2020 to enable the investors to make a well informed decision.

Based on our examination of the books of account, records and documents maintained and produced to us and on the basis of information and explanations given to us, we certify that the particulars stated in the disclosure document are true and fair.

For Morzaria & Associates
Chartered Accountants
Firm Registration Number: 129763W

VIKAS DHIRENDRA MORZARIA

Digitally signed by VIKAS DHIRENDRA MORZARIA
Date: 2025.03.26 20:28:01 +05'30'

Vikas Morzaria
Proprietor
Membership No.: 108691
UDIN: 25108691BMILBZ9966

Place: Mumbai
Date: March 26, 2025