

**PORTFOLIO INVESTMENT MANAGEMENT
SERVICE AGREEMENT**

Between

FRACTAL CAPITAL INVESTMENTS LLP

&

Dated: _____, 2021

DISCRETIONARY PORTFOLIO INVESTMENT MANAGEMENT SERVICE AGREEMENT

This **Discretionary Portfolio Investment Management Agreement** (“**this Agreement**”) is made and executed at the place as specified in **Schedule A**

BY AND BETWEEN

FRACTAL CAPITAL INVESTMENTS LLP, a limited liability company registered with the Securities and Exchange Board of India as a Portfolio Manager (**Registration No. INP000007146**) having its registered office at C-402, Lokhandwala Residency, Manjrekar Marg, Worli, Mumbai – 400 018 and place of business at AWFIS, 10th Floor, Parinee Cresenzo, B-wing, G- Block, Bandra Kurla Complex, Mumbai 400 051, hereinafter called the “**Portfolio Manager**” (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the ONE PART;

AND

The person/s/entity specified in Schedule A as “**the Client**”, hereinafter called “**the Client**” (which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include:

- (i) *(if the Client is individual)* -- his/her heirs, executors, administrators and legal representatives and permitted assignees;
- (ii) *(if the Client is a partnership firm or limited partnership firm)* -- the partners for the time being of the said firm, the survivor or survivors of them and their respective heirs, executors, administrators and legal representatives/its successors and permitted assignees;
- (iii) *(if the Client is a company or a body corporate)* -- its successors and permitted assignees;
- (iv) *(if the Client is a Karta of a Hindu Undivided Family)* -- the members for the time being of the said Hindu Undivided Family and their respective heirs, executors, administrators and permitted assignees;
- (v) *(if the Client is the board of trustees of a trust)*, -- trustees for the time being and from time to time; and
- (vi) *(if the Client is the governing body of a society)*-- the respective successors of the members of the governing body for the time being and from time to time the members of the society for the time being and from time to time and any new members elected or appointed of the other part.

The Portfolio Manager and the Client shall hereinafter collectively be referred to as the “**Parties**” and individually as the “**Party**”.

WHEREAS:

- (a) The Portfolio Manager is registered as a ‘*Portfolio Manager*’ (**registration number [•]**) **dated [•]** with Securities and Exchange Board of India (SEBI) under the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time (“**the Regulations**”). The registration is valid from [•] and the Portfolio Manager is authorized to provide portfolio management services in accordance with the provisions of the Regulations;
- (b) The Parties hereto are entering into this Agreement to set out the terms and conditions on which the Portfolio Manager has agreed to render, and the Client has agreed to be provided with, the Discretionary Portfolio Management Services (as defined hereunder).
- (c) The Portfolio Manager has provided the Client with a Disclosure Document as specified in Schedule V of the Regulations, along with a certificate in Form C as specified in Schedule I of the Regulations. The Client has read and understood the Disclosure Document.

NOW THEREOF IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS: -

1. DEFINITIONS

- 1.1 “**Act**” shall mean the Securities and Exchange Board of India Act, 1992 as amended from time to time.

- 1.2 **“Account Opening Form”** means the agreed form as provided for in **Schedule B** hereto which shall be required to be duly filled, signed and submitted by the Client to the Portfolio Manager indicating the activation of the Services.
- 1.3 **“Agreement”** means this agreement and shall include all schedules and annexures attached hereto, the application and any applicable mandates, investment objectives and any other instructions and communication as exchanged between the Parties pursuant to this Agreement.
- 1.4 **“Applicable Laws”** means any applicable local or national statute, rules, regulation, notification, circular, ordinance, requirement, directive, guideline or announcement issued by an Authority including the Regulations.
- 1.5 **“Assets”** means (i) the Portfolio and/or (ii) the Funds.
- 1.6 **“Authority”** means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government including but not limited to the SEBI.
- 1.7 **“Bank Account”** means one or more bank accounts opened by the Client in his own name or an account common to all clients of the Portfolio Manager opened by the Portfolio Manager, as the case may be, both maintained and operated by the Portfolio Manager for the purposes of this Agreement and as permitted under the Applicable Laws.
- 1.8 **“Broking account”** means one or more accounts opened and operated with the Designated Broker in the name of the Client or an account common to all clients of the Portfolio Manager, (as the case may be), maintained and operated by the Portfolio Manager for the purposes of this Agreement and as permitted under the Applicable Laws.
- 1.9 **“Business Day”** means a day (other than a Saturday, Sunday or a public holiday) on which the Portfolio Manager is open for business in the city in which it provides the services to its clients. All days as calculated under this Agreement shall at times deemed to be a ‘Business day’.
- 1.10 **“Custodian”** means any custodian registered under the SEBI (Custodian of Securities) Regulations 1996 with whom the Portfolio Manager enters into an agreement for the provision of custodial services.
- 1.11 **“Designated Broker/s”** shall mean such stock broker or broking agency as duly registered with Stock Brokers and Sub-Brokers) Regulations, 1992 as appointed by the Portfolio Manager to open and operate the Broking Account.
- 1.12 **“Disclosure Document”** means any disclosure document issued by the Portfolio Manager inter alia recording the provisions as mandated under the Regulations.
- 1.13 **“Discretionary Portfolio Management Services”** or **“Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in this Agreement, whereby the Portfolio Manager exercises discretion with respect to investments or management of the Portfolio of Securities or the Funds of the Client without the consent of the Client.
- 1.14 **“Non-Discretionary Portfolio Management Services or Services”** means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in this Agreement, where the Portfolio Manager invests in a Portfolio of Securities for and on behalf of the Client with the consent of the Client. *(as applicable)*
- 1.15 **“Exchange”** means the Bombay Stock Exchange or the National Stock Exchange, as the case may be.
- 1.16 **“Effective Date”** shall mean the date of execution of this Agreement/[.].
- 1.17 **“Funds”** means the money placed by the Client with the Portfolio Manager and any accretions thereto.
- 1.18 **“KYC Documents”** shall mean the Know-Your Customer documents as annexed hereto as **“Annexure 1”**.
- 1.19 **“Losses”** means all losses, costs, expenses, damages.
- 1.20 **“Minimum Investment Amount”** shall mean the minimum amount that has to be maintained by the Client under each Portfolio as may be stated by the Portfolio Manager from time to time and such minimum amount shall not in any event be less than the minimum amount as stipulated under Regulation 23(2) of the Regulations and the amendments there under from time to time.
- 1.21 **“Mutual Fund”** means a fund established in the form of a trust to raise monies through the sale of units to the public under one or more schemes for investing in Securities including money market instruments and registered as such under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
- 1.22 **“Portfolio”** means the total holdings of Securities belonging to managed by the Portfolio Manager on behalf of the Client pursuant to this Agreement and includes any Securities mentioned in this Agreement, any further Securities placed by the Client with the Portfolio Manager for the purposes of being managed pursuant to this Agreement. Securities acquired by the Portfolio Manager through investment of Funds and bonus and rights shares and 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 this Agreement.

- 1.23 **"Portfolio Management Fees"** shall mean the aggregate fees payable by the Client to the Portfolio Manager towards provision of the Services and other incidental services pursuant to this Agreement. The Portfolio Management Fees, as applicable, is detailed in **Schedule C** hereto.
- 1.24 **"RBI"** shall mean the Reserve Bank of India.
- 1.25 **"SEBI/Board"** shall mean the Securities and Exchange Board of India.
- 1.26 **"Securities"** shall mean bonds, notes, shares, units of Mutual Funds, convertible securities and such other instruments including foreign securities as permitted by law and under the Regulations, which may from time to time be held in the Portfolio under the terms of this Agreement.
- 1.27 **"Securities Account"** shall mean the appropriate account opened with the designated broker or the custodian on behalf of the Client to manage the Securities forming part of the Portfolio.
- 1.28 **"Securities Lending"** means securities lending as per the Securities Lending Scheme, 1997 specified by the Board.
- 1.29 **"Sub-delegates"** shall mean any officer, employee or representative or any fund accounting service provider, or any custodian or other person specifically authorized by the Portfolio Manager and the Portfolio Manager is empowered to delegate the performance of its duties, discretions, obligations, any powers and authorities hereunder to such Sub-delegates to the extent permitted under the Applicable Laws and the Regulations.
- 1.30 **"Persons"** means and includes an individual, a sole proprietorship, an association, syndicate, a corporation, a firm, a partnership, a joint venture, a trust, an unincorporated organization, a joint stock company, a limited liability company or other entity or organization, body corporate, Authority, judicial authority, a natural person in his capacity as trustee, executor, administrator, or other legal representative and any other entity including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity.
- 1.31 **"We/us/our"** shall mean Fractal Capital Investment LLP and any person entitled at any future date to exercise all or any of our rights in terms of this Agreement.

2. APPOINTMENT OF PORTFOLIO MANAGER

- 2.1 Pursuant to valid and proper authority and in accordance with Applicable Laws, the Client hereby appoints, entirely at his/her/its own risk, the Portfolio Manager to provide Services for and in respect of the Assets in accordance with the provisions of this Agreement and the Regulations.
- 2.2 The Portfolio Manager shall have complete discretion in managing the Assets and the decision and discretion of the Portfolio Manager for the purposes of making any investments, disinvestments or any other matter as above shall be final and binding.

3. SCOPE OF THIS AGREEMENT

- 3.1 The Portfolio Manager agrees to provide the Services, which may be in the nature of investment advisory and may include renewing, reshuffling the Portfolio, buying and selling the Securities for the consideration and fees contained herein. The Portfolio Manager shall provide equity-based portfolio management and advisory services that focuses on long term wealth creation through investments in equities, debt and mutual funds.
- 3.2 In the event of any conflict between the terms and conditions of this Agreement and Applicable Laws, the Applicable Laws shall prevail. All investments done by the Portfolio Manager shall at all times be in compliance with the guidelines stated in the Regulations.
- 3.3 The Portfolio Manager shall be entitled to take such action or steps or omit to take any action or steps as it shall in its discretion consider necessary to ensure compliance with the Applicable Laws, including taking of any action to avoid or mitigate any loss arising as a result of a change in the Applicable Laws and any such action or step so taken by the Portfolio Manager as a consequence thereof shall be binding upon the Client.

4. FUNCTIONS OF THE PORTFOLIO MANAGER

- 4.1 The Portfolio Manager shall at all times provide the Services and its functions as per the Applicable Laws and the Regulations specifically in line with the Regulation 23 and Regulation 24.
- 4.2 In addition to Clause 4.1, in relation to the Discretionary Portfolio Management Services, the Portfolio Manager shall independently manage the Funds of the Client in accordance with the provisions of this Agreement and with a view to achieving the Investment Objectives as set out in the Application and Disclosure Document.
- 4.3 The Portfolio Manager may from time to time introduce Investment Approach and may launch new Investment Approach for the benefit of its Clients. The Clients may invest in one or more of such Investment Approach in accordance with terms and conditions listed in this agreement by filing and executing the relevant schedule(s) to this agreement. For the present, the Client has selected the investment approach as outlined in the Schedules to this Agreement and which is included in the disclosure document filed with SEBI and published on Portfolio

Manager's

website.

5. SCOPE OF WORK

- 5.1 The Portfolio Manager agrees to provide the Services which shall include investment management, advisory, the responsibility of managing, renewing and reshuffling the Assets, buying and selling the Securities, keeping safe custody of the Securities and keep track and monitoring book closures, dividend, bonus, rights etc. and other corporate benefits associated with the Securities so as to ensure that all benefits accrue to the Client's Account as also to take day to day decisions in respect of the Account in accordance with this Agreement and may include consultancy services.
- 5.2 The Portfolio Manager shall, in discharging its duties as such, act as an agent/trustee of the Client and in a fiduciary capacity with regard to the Client's Account consisting of investments, accruals, benefits, allotments, calls refunds, returns privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, rights, bonus as well as residual cash balances, if any (represented both by quantity and in monetary value).
- 5.3 The Portfolio Manager may enter into any contract with any corporation or body corporate or any other organization for the purpose of securing such insurance cover or such other benefits for the Client as may be given by the corporation or body corporate or other organization.
- 5.4 The Portfolio Manager may constitute committees consisting of such persons as it thinks fit to guide and advice the operations of the Portfolio Manager and delegate suitable power to them and impose appropriate regulations on them; and generally, to do all acts, deeds, matters and things which are necessary for any object, purpose of or in relation to the Client's Portfolio in any manner or in relation thereto.
- 5.5 This Agreement is without prejudice to any other terms issued to the Client by the Portfolio Manager relating to specific products ("**Specific Product Terms**"). If any provision in this Agreement conflicts with a provision in such Specific Product Terms then the latter provision shall prevail insofar as it does not conflict with any of the Portfolio Manager's duties or obligations under this Agreement or other Applicable Laws.
- 5.6 All actions undertaken by the Portfolio Manager, under this Agreement, shall be in accordance with the stated investment objectives, disclosure document and restrictions. All transactions in investments shall be subject to the constitutions, by-laws, rules, regulations, customs, usages, rulings and interpretations of the relevant exchange or other markets where the transactions are executed, to the codes and to all other applicable laws, including the regulations of any governmental or quasi-governmental agency ("**Market Requirements**") so that:
- (i) in the event of any conflict between the terms and conditions of this Agreement and any market requirements, the market requirements shall prevail;
 - (ii) the Portfolio Manager shall be entitled to take such action or steps or omit to take any action or steps as deemed necessary to ensure compliance with the Market Requirements, including taking of any action to avoid or mitigate any loss arising as a result of a change in the Market Requirements; and
 - (iii) All of the market requirements and any such action or step so taken by the Portfolio Manager as a consequence of such requirement shall be binding upon the Client as if expressly set out herein or authorized hereby.

6. DISCRETIONARY PORTFOLIO MANAGEMENT SERVICES (*As Applicable*)

- 6.1 For the consideration and on the terms and conditions contained herein, the Portfolio Manager agrees to provide to the Client, and the Client wishes to be provided with, the Services:
- 6.1.1 The Client hereby entrusts the Assets to the Portfolio Manager for the purposes of the performance of the Discretionary Portfolio Management Services by the Portfolio Manager;
- 6.1.2 The Portfolio Manager shall deploy the funds in accordance with the relevant Investment Approach selected by the Client as detailed in **Schedule D** of this agreement and in accordance with the SEBI (Portfolio Managers) Regulations, 2020, as may be amended from time to time, and the guidelines issued thereunder and any other Applicable Laws.
- 6.1.3 Simultaneously with the execution of this Agreement, the Client shall, if requested by the Portfolio Manager, execute and deliver a Power of Attorney in the format specified by the Portfolio Manager authorizing the Portfolio Manager to do all acts on behalf of the Client necessary for rendering the Services to the Client. The Client shall also execute additional Powers of Attorney from time to time, in favor of such attorneys as may be indicated by the Portfolio Manager, upon the request of the Portfolio Manager, and the same shall be within the ambit of the Applicable Laws (if any).

- 6.1.4 The Client hereby authorizes the Portfolio Manager to do all such acts on behalf of the Client as the Portfolio Manager may consider necessary for the purposes of rendering the Services including, without limitation:
- (i) operating the Bank Account(s) and Securities Account(s);
 - (ii) transferring the Funds and Portfolio (deposited by the Client with the Portfolio Manager) to the Bank Account(s) and Securities Account(s);
 - (iii) managing the Portfolio by purchasing, subscribing for, selling, redeeming or otherwise dealing with the Securities;
 - (iv) holding the Assets in the name of the Client, nominee or agent of the Client as may be permitted under the Applicable Laws;
 - (v) appointing and instructing brokers, sub-brokers, custodians, depository participants, banks, fund accounting service providers and others in relation to the Services and entering into agreements with them for the same;
 - (vi) payment of any charges or pro-rated charges to a custodian appointed by the Portfolio Manager;
 - (vii) paying all amounts (including any calls) required to be paid in connection with the provision of the Services under this Agreement including the Portfolio Management Fees and expenses incurred for or in connection with rendering the Services; and
 - (viii) monitoring book closure, dividend, rights, bonus etc and all other corporate actions to ensure that all benefits accrue to the Client pursuant to or in relation to the services rendered by the Portfolio Manager under this Agreement.
- 6.1.5 The Portfolio may be held in a Securities Account in the name of the Client or in such other manner as may be permitted under the Applicable Laws; and
- 6.1.6 The Bank Account may be opened in the name of the Client or in the name of the Portfolio Manager or in such other manner as may be permitted under the Applicable Law. Where the Bank Account(s) operated by the Portfolio Manager contain funds of other clients of the Portfolio Manager, the Portfolio Manager will maintain a record for each client's funds in accordance with the Applicable Laws.
- 6.2 The Client agrees and acknowledges that:
- (i) the Portfolio Manager shall be entitled to do all acts to invest and manage the Assets including but not limited to investing the funds in Securities, selling, redeeming or liquidating Securities or changing the Securities forming part of the Portfolio, appointing intermediaries for the sale and purchase of Securities in such manner as the Portfolio Manager may in its discretion consider appropriate. All such decisions, including decisions as to the Securities in which investment or disinvestment should be made and the nature, quantity, timing and other details of the investments, disinvestments and other dealings with the Assets shall be in the discretion of the Portfolio Manager who shall not be required to give any notice to, or take any approval from, the Client for the same;
 - (ii) subject to the provisions of Clause 16, It has expressly and with full knowledge of the implications, conferred discretion on the Portfolio Manager in relation to all decisions concerning the Discretionary Portfolio Management Services and the Client agrees and confirms that it shall accept the decisions of the Portfolio Manager without demur and all such decisions of the Portfolio Manager shall be binding on the Client, where the exercise of such discretion or any decision by the Portfolio Manager is made in good faith. The Client understands and agrees that the Portfolio Manager shall be only liable if the Client establishes bad faith, willful default, fraud, undisclosed conflict of interest or gross negligence by the Portfolio Manager. The Client agrees and acknowledges that the Client shall not be entitled to give any instructions to the Portfolio Manager in relation to the Discretionary Portfolio Management Services to be rendered by the Portfolio Manager under this Agreement or any decision relating thereto except by way of the preferences expressed from time to time.
 - (iii) the Portfolio Manager shall also be entitled to place funds by way of margin on behalf of the Client with any broker with whom the Portfolio Manager deals;
 - (iv) until the termination of this Agreement in terms of Clause 12 (as applicable) and the receipt of a no objection statement from the Portfolio Manager on its behalf, (i) the Client shall not operate the Bank Account(s) or Securities Account(s), (ii) the Client shall not enter into any agreement with the Custodian (or any other intermediary) or give any instructions to the Custodian (or other intermediary) in relation to the Assets or this Agreement and (iii) the Client shall not pledge, lend, create any charge, lien or other encumbrance of any nature over the Assets or otherwise deal with the Assets in any manner whatsoever.

- 6.3 Subject to Applicable Laws, for the purpose of discharging any of the duties, obligations and functions (whether under this Agreement or under Power of Attorney), of the Portfolio Manager, the Client hereby empowers the Portfolio Manager to act through the Sub- delegates.
- 6.4 Unless agreed otherwise between the Portfolio Manager and the Client, all Assets may, in the event the Client is a partnership, be held in the name of any one or more of its partners (as agreed and informed in writing) and, in the event the Client is a Hindu Undivided Family, be held in the name of its Karta.
- 6.5 If the Client is not an individual, the Portfolio Manager shall be entitled to rely upon any instructions or notices it believes in good faith to be given by a person who is duly authorized by the Client on its behalf. Without prejudice to the aforesaid, in relation to a Client that is a body corporate, the Portfolio Manager shall be entitled to rely upon a copy of a board resolution of the Client authorizing such person to act on behalf of the Client with respect to this Agreement. In the event of a revocation of authority of any such person, the Client shall promptly inform the Portfolio Manager of such revocation.
- 6.6 The Client agrees to sign all such documents and do all such acts as the Portfolio Manager may require to enable the Portfolio Manager to perform its functions and obligations under this Agreement.
- 6.7 The Portfolio Manager will promptly notify the Client's Custodian of the identity and quantity of any Securities purchased, subscribed or disposed of so that the Custodian may monitor the Client's Securities holdings with a view to ensuring that the RBI's ceiling limits on investments are not breached by the Client. A periodic report, not exceeding than three months shall be provided to the Client by the Portfolio Manager regarding its Asset and Portfolio. Further, a system would be duly installed on the official website of the Portfolio Manager where the Client shall have limited protected access to review and check its Asset and Portfolio at any given time. For any grievance, the Client shall be required to follow the process as detailed in Clause 28 below.
- 6.8 Portfolio Manager shall act in a fiduciary capacity and shall disclose all conflicts of interests as and when they arise and where appropriate, obtain the Client's consent for such conflicts of interests.

7. INVESTMENT OBJECTIVES AND GUIDELINES

- 7.1 In pursuance of the objective of this Agreement to provide the Client with a structure that can achieve preservation and growth of its capital, the Portfolio Manager shall endeavor to apply its professional expertise in order to help the Client achieve its goals as per the Investment Approach chosen by the Client. However, the Client agrees and acknowledges that while the aforesaid is the objective, there is no guarantee that the objectives will be achieved nor there is any guarantee of any returns or of there being no capital loss.
- 7.2 The Client may, with the consent of the Portfolio Manager, switch between the Investment Approach during the tenure of this Agreement as per his investment objective and/or invest additional corpus in the same / different Investment Approach. The uninvested amounts may be deployed in liquid fund schemes or other debt-oriented schemes of mutual funds, gilt schemes, bank deposits and other short-term avenues available for investment. The Securities invested/disinvested by the Portfolio Manager for the Clients in the same Investment Approach may differ from Client to Client.
- 7.3 The Portfolio Manager shall invest the funds in Securities such as listed equities, debt, mutual funds in the proportion as per the best interest of the Clients from time-to-time. All investments in Mutual Funds shall be only through direct plan.
- 7.4 Subject to the Applicable Laws and the Regulations, the Portfolio Manager shall invest the Assets with a view to achieving the Investment Objectives. If the Client has reservations regarding investing in particular Securities or companies or under the Applicable Laws, the Client shall keep the Portfolio Manager informed of the same in writing and such shall be communicated and deemed to be Specific Product Terms. In the absence of any such disclosure, the Portfolio Manager shall be entitled to presume that there are no reservations and Client is entitled to make investments in all Securities or companies.
- 7.5 The Client acknowledges that if restrictions are imposed by the Client on investing in particular Securities or companies, this may limit or prevent the Portfolio Manager from making recommendations that it would otherwise make and may accordingly reduce the likelihood of achieving the Investment Objectives. In such circumstances, the Client agrees that the Portfolio Manager's responsibility for achieving the Investment Objectives will be qualified accordingly.
- 7.6 The Securities invested or divested by the Portfolio Manager for Clients may differ from client to client. All decisions of investment and divested made by the Portfolio Manager will be based on various factors including without limitation, Client's Investment Objectives, international and domestic markets and economic conditions and the Portfolio Manager's internal company policy. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' account is absolute and final and shall not be open to review unless the Client establishes bad faith, fraud, gross negligence or undisclosed conflict of interest.

- 7.7 The investment objective of the Services shall be to undertake, on behalf of the Client, the management and administration of the Assets and Portfolio of the Client aiming to generate returns on the Client's investment in line with the Investment Objectives. The Client agrees and acknowledges that while the aforesaid is the objective, there is no guarantee that such returns are achievable or will be achieved. All returns on the Client's Assets are solely for the benefit of the Client and all investment risks shall solely vest with the Client.
- 7.8 Any transaction comprising a purchase or sale of listed securities including any between the Portfolio Manager's own accounts and Client's accounts or between two Clients' accounts shall be at the prevailing market price. The time for the delivery of the Securities shall be by the end of day of the custodian receiving the Securities on settlement of the transaction with the relevant Exchange or the Mutual Fund allotting the units as applicable.
- 7.9 Accruals, accretions, benefits, allotments, returns, privileges, entitlements, substitutions and replacements and other beneficial interests including dividends, interest, bonuses that accrue to the investments in respect of the Client's account shall be received by the Portfolio Manager either in its own name or in the name of the Client and where they are received by the Portfolio Manager, it shall be transferred to the Client's Bank Account(s) or Securities Account(s). However, in case of rights shares or rights issues, conversions or buy-backs of Securities, the Portfolio Manager shall ordinarily exercise such rights unless otherwise so requested by the Client in writing.
- 7.10 Existing or any future investment with the Portfolio Manager from time to time shall be governed by the terms and conditions and the investments guidelines provided in this Agreement unless agreed otherwise between the Parties in writing. All terms and conditions of this Agreement shall apply mutatis mutandis to any amendments, additional provisions and supplemental agreements specific to any individual investment/ portfolio.
- 7.11 Market operations and/or sale and purchase transactions for Securities will be done through brokers authorized by the Portfolio Manager at prevalent market prices usually netted for brokerage and/or commission.
- 7.12 Where applicable, the performance of the Portfolio will be benchmarked against such benchmark index and will be separately communicated by the Portfolio Manager. However, the Client understands and acknowledges that the benchmark index may not be truly representative of the portfolio management services offering due to the unique nature of the services provided wherein:
- (a) the number of stocks may be lower in comparison to the benchmark index; and
 - (b) the weightages of individual stocks may vary from weightages in the benchmark index. The Portfolio Manager may from time to time, review the benchmark selection process and make suitable changes as to use of the benchmark, or related to composition of the benchmark.
- 7.13 The Portfolio Manager will not indulge in any speculative activity i.e., transactions which are not settled by actual delivery/transfer of Securities. In addition, the Portfolio Manager will not indulge in any bill discounting, badla financing etc. The Portfolio Manager shall not deploy the Client's Assets in bill discounting, badla financing or for the purpose of lending or placement with corporate or non-corporate bodies or investment in such instruments as may be expressly prohibited by SEBI or the RBI or other regulatory bodies from time to time. The Portfolio Manager, while dealing with the Client's Funds shall not indulge in speculative transactions, that is, transactions for the purchase or sale of any security which is periodically or ultimately settled otherwise than by actual delivery or transfer of the Securities.
- 7.14 Subject to the Applicable Laws, the Portfolio Manager may however enter into transactions futures contracts, options in securities, options on indices and other similar types of investment which will have the possibility of creating a hedge against the existing structure of the portfolio and such transactions could include derivative products. The Client acknowledges that the Portfolio Manager's entry into any futures contracts, options in securities, options on indices and other similar types of investment may result in the Client having to provide initial margin payments and which would be deemed to constitute part of the normal course of investing.
- 7.15 The Client hereby by virtue of executing this Agreement authorizes the Portfolio Manager to participate in Securities Lending.
- 8. FEES AND CHARGES**
- 8.1 Notwithstanding anything contained herein or elsewhere, the Portfolio Management Fees payable is detailed in **Schedule C** hereto.
- 8.2 The Portfolio Management Fees will become due and payable upon activation of the Client's account i.e., from the date on which the account activation formalities have been completed and the Account Opening Form is duly submitted by the Client to the Portfolio Manager and for all purposes of this Agreement, including without

limitation to the computation of the Portfolio Manager's fees hereunder, the Assets of the Account shall be valued in accordance with the Portfolio Manager's standard valuation policies and procedures.

- 8.3 The Client hereby authorizes the Portfolio Manager to debit the Bank Account for all the costs, expenses, charges referred to in this clause and the Schedule C and for any other services rendered by the Portfolio Manager or outsourced by the Portfolio Manager and as agreed by the Client from time to time.
- 8.4 In the event of non-payment of fees and / or other charges due and payable by the Client as stipulated under this Agreement, the Portfolio Manager shall be authorized to sell any Securities forming part of the Client's portfolio, at its absolute discretion and debit the Client's Account to the extent of such outstanding fees / charges.

9. MAINTENANCE OF VARIOUS ACCOUNTS BY CLIENTS

- 9.1 The Portfolio Manager is authorized in its discretion to aggregate purchases and sales and other transactions made for the Portfolio with purchases and sales and other transactions in the same or similar Securities or instruments of the same issuer or counterpart for other clients of the Portfolio Manager. When transactions are so aggregated, the Portfolio Manager will allocate the same amongst its clients on a pro-rata basis and at the weighted average price for the day's transactions ("Pool Basis").
- 9.2 The Portfolio Manager may require the Client to open a Bank Account in the Client's name or the Portfolio Manager may open a Bank Account in the name of the Portfolio Manager for and on behalf of the Client, as permitted under the Applicable Laws. Where the Client does not open a separate Bank Account, the Portfolio Manager will open and maintain a bank account ("Pooled Bank account") in the Portfolio Manager's name for and on behalf of the Client and the Client's Funds will be pooled or aggregated with the funds of the other clients in the Pooled Bank Account for the purpose of investment in Securities.
- 9.3 Where Services are provided on a Pool Basis, execution and settlement of each investment will be undertaken on a Pool Basis for all clients. In the event that there is a shortage of Securities to be allocated to each client, the Portfolio Manager will allocate the Securities on a pro-rata basis to clients. The Portfolio Manager shall have the discretion to round up/down to ensure allocation of whole units in relation to the investment made by each client.
- 9.4 Where the Client is provided Services on a Pool Basis, the Client understands that the Client will not receive a contract note for purchase and/or sale of Securities, instead the Client will receive a confirmation of allocation of Securities by way of a statement of account of the Assets from the Portfolio Manager.
- 9.5 The Portfolio Manager shall preserve the books of account and other records and documents as mandatory under the Regulations.

10. CONFLICTS OF INTEREST AND TAKEOVER OBLIGATIONS

- 10.1 The Client shall (promptly on gaining knowledge of the same) disclose to the Portfolio Manager in writing the details of any interest of the Client in any listed entity that may enable the Client to obtain unpublished, price-sensitive information in respect of such listed entity so that a conflict of interest will not arise when the Portfolio Manager purchases or sells securities of that listed entity on behalf of the Client.
- 10.2 The Client shall disclose to the Portfolio Manager in writing where there are any restrictions on the Client purchasing or selling any Securities. In the absence of any such disclosure, the Portfolio Manager shall be entitled to presume that there are no restrictions on the Client purchasing any such Securities. The Client shall keep the Portfolio Manager indemnified against the consequences of any non-disclosure in this respect.
- 10.3 The Portfolio Manager shall disclose to the Client any actual or potential conflicts of interest arising from any connection to or association with any issuer of Securities including any material information or facts that might compromise its objectivity or independence in providing the Services under this Agreement.
- 10.4 The Client understands it is the responsibility of the Client to (promptly upon gaining knowledge of the same) inform the Portfolio Manager in writing of the details of all shares (which term, in this clause, includes any instruments carrying voting rights) held by the Client in any listed entity in order that the purchase of shares by the Portfolio Manager on account of the Client does not attract any provisions of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("the Takeover Regulations"). The Client shall keep the Portfolio Manager indemnified against the consequences of any non-compliance of the Takeover Regulations by the Client.

11. INDEMNITY

- 11.1 The Client shall indemnify and keep indemnified the Portfolio Manager, its Partners, Designated Partner, its Sub-delegates and its duly authorized representatives (collectively, the "Indemnified Persons") from and

against all and any Losses (including without limitation any stamp duty, rates, taxes and cess) which any Indemnified Person may incur or pay in relation to or arising out of or appearing to the Portfolio Manager to arise out of (whether directly or indirectly):

- (i) the performance of the Services and any other rights, duties and obligations under this Agreement;
- (ii) the communications between the Client and the Portfolio Manager under with this Agreement;
- (iii) the Client's failure to comply with its obligations under this Agreement; or
- (iv) the enforcement of this Agreement.

11.2 The above indemnity will not apply to the extent that any Losses are a direct result of the gross negligence or fraud on the part of the Indemnified Person(s).

11.3 The Client hereby undertakes to the Portfolio Manager that:

- (i) all actions required to be taken (including obtaining any consents, filings, or registrations with any entity, or any payment of any stamp or other duties, taxes or fees) have been or will be taken as may be required by Applicable Laws, including to enable the Client lawfully to enter into and perform its obligations under this Agreement and to make this Agreement admissible in evidence as per the governing law of this Agreement; and
- (ii) the Client will comply with the Applicable Laws applicable to all transactions entered into pursuant to this Agreement and all Services provided under this Agreement and any provisions required thereby to be included herein shall be deemed to be incorporated herein by reference.

11.4 The provisions of this Clause 11 shall survive the termination of this Agreement.

12. PERIOD AND TERMINATION

12.1 This Agreement shall commence from the Effective Date and shall remain effective unless terminated by either Party in accordance with the provisions of this Clause.

12.2 Subject to Applicable Laws, either Party shall have the right to terminate this Agreement with or without cause after giving a written notice of 30 days to the other Party. It being clarified that where the notice is being given for termination due to 'cause', then such 30 days period shall be deemed to be the cure period. If the defaulting party fails to cure the 'cause' then this Agreement shall stand forthwith terminated.

12.3 Notwithstanding anything to the contrary contained in this Agreement, no notice of termination shall be required to be given by the Portfolio Manager if the termination is for prevention of money laundering or such other illegal activities that the Portfolio Manager may reasonably suspect.

12.4 Except in the event of termination as provided under clause 12.2 and 12.3, the Assets of Account can be withdrawn or taken back by the Client at his/her/its sole risk before expiry of the Agreement under the following circumstances:

- (a) Voluntary or compulsory termination of the Services by the Portfolio Manager;
- (b) Suspension or termination of the registration granted to the Portfolio Manager by SEBI and/or any other competent authority;
- (c) Liquidation of the Portfolio Manager;

12.5 Where the Client is an individual, in the event of death or disability of the Client, the Asset shall stand transmitted to the nominee of such Client as specified in the Application Form. The nominee shall be entitled to become the client in terms of the Applicable Laws. The Portfolio Manager shall be entitled to transmit and devolve the Asset upon only the nominee without seeking any proof of succession from such nominee. For such actions of the Portfolio Manager, the Portfolio Manager shall not be held liable or responsible and indemnified for the same from the estate of the deceased Client. This Agreement shall deem to continue in favor of the nominee unless explicitly terminated by such nominee in accordance with the provisions of this Agreement. In the event the nominee is not available for any reason whatsoever then in such limited circumstances, the Asset shall stand devolved upon the legal heir of such Client in accordance with the Applicable Laws.

12.6 The termination of this Agreement, in any manner whatsoever, shall not, in any manner whatsoever, affect or preclude the consummation of any transaction initiated by the Portfolio Manager prior to its receipt or transmission of the notice of termination.

12.7 This Agreement shall stand compulsorily terminated on behalf of the Client in the event the certificate of registration as granted under Regulation 10 to the Portfolio Manager is cancelled by the Board and the same is not rectified within a period of 60 days from the date of such termination. At the expiry of the said 60 days period, this Agreement shall stand automatically terminated with all the consequences to follow.

13. STATEMENT AND INFORMATION

- 13.1 The Portfolio Manager shall furnish to the Client reports in such manner, containing the details set out in Clause 13.2 and at such periodic intervals as mandated under the Regulations and the Applicable Laws.
- 13.2 The Portfolio Manager shall send a periodic report to the Client, not exceeding than three months, containing the following details, namely:
- (i) the composition and the value of the Assets, description of the Securities, number of Securities, value of each Security held as part of the Assets, cash balance and aggregate value of the Assets as of the date of the report;
 - (ii) transactions undertaken by the Portfolio Manager for the Client during the period covered by the report, including the date of the transaction and details of purchases and sales;
 - (iii) income or other interest received for the Client during the relevant period in respect of the Assets by way of interest, dividend, bonus shares, rights shares or debentures or otherwise;
 - (iv) expenses incurred in managing the Assets of the Client;
 - (v) details of risks foreseen by the Portfolio Manager and risks relating to the Securities recommended by the Portfolio Manager for investment or divestment.
 - (vi) default in payment of coupons or any other default in payments in the underlying debt security and downgrading to default rating by the rating agencies, if any;
 - (vii) details of commission paid to distributor(s) for the particular Client.
- 13.3 Nothing herein shall oblige the Portfolio Manager to provide any information relating to any other investments or Securities of the Client that do not form part of the Assets.
- 13.4 In the event of any error or inaccuracy in a report, the Portfolio Manager shall endeavor to correct the same as soon as practicably possible after the same is brought to the attention of the Portfolio Manager.
- 13.5 On termination of this Agreement, the Portfolio Manager shall give a detailed statement of account of the Assets to the Client and settle accounts with the Client. The Client shall bear all costs, charges and taxes that may become payable as a consequence of settling of accounts of the Assets.
- 13.6 The Client shall have a right to inspect the following documents of the Portfolio Manager as listed below on a Business Day between 11am to 5 pm. (Indian time) at the registered office of the Portfolio Manager:
- (i) the Registration Certificate of the Portfolio Manager;
 - (ii) the books of accounts of the Portfolio Manager relating to transactions of the Client;
 - (iii) the Disclosure Document; and
 - (iv) the certificate of a chartered accountant certifying the Disclosure Document.
- 13.7 The Portfolio Manager shall at all times endeavor to make a true and fair presentation of the transactions in the statements or documents or reports sent to the Client by it.
- 13.8 In the addition to the periodic report as mentioned in Clause 13.2 above, the Portfolio Manager shall also have a system duly installed on the official website of the Portfolio Manager where the Client shall have limited protected access to review and check its Asset and Portfolio at any given time. However, such information could have a day's lag in being updated as custodians generally do not allow real time access to their servers.

14. AUDIT OF BOOKS AND ACCOUNTS

- 14.1 The Portfolio Manager shall
- (i) maintain separate client-wise accounts;
 - (ii) account for and properly reflect in the Client's account the funds received from the concerned client, investments or disinvestments, credits like interest, dividend, bonus, or any other beneficial interest as may be received on the investment and debits for expenses, if any;
 - (iii) record the tax deducted at source as required under the provisions of the Income-Tax Act, 1961, as amended from time to time;
- 14.2 The books of accounts and other records of the Portfolio Manager shall be audited annually by independent chartered accounts as appointed by the Portfolio Manager who shall ensure that the Portfolio Manager follows proper systems and procedures as well as complies with the Regulations in this regard. A copy of the certificate issued by the Chartered Accountant shall also be given to the Client within a period of 7 days from the date of issue of the concerned certificate.
- 14.3 Subject to the provisions of the Regulations, the Client shall have right to appoint at its own cost, with prior 7 Business Days' notice in writing to the Portfolio Manager, an independent chartered accountant to get the Client's Portfolio audited.

15. NO WARRANTY OF PORTFOLIO MANAGER

- 15.1 The Client hereby confirms that the Client is aware that the investment of the Assets is subject to a variety of risks which include amongst others (and by way of illustration) an unpredictable loss in value of the Assets which may extend to a total loss of value of the Assets due to, inter alia:
- (i) 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;
 - (ii) acts of force majeure including nationalization, expropriation, pandemic, currency restriction, measures taken by any government or agency of any country, state or territory in the world, industrial action or labor disturbances of any nature amongst staff of the Portfolio Manager or of its agents (or of any third parties) boycotts, power failures or breakdowns in communication links or equipment (including but not limited to loss of electronic data) international conflicts, violent or armed actions, acts of terrorism, insurrection, revolution, nuclear fusion, fission or radiation, or acts of God, default of courier or delivery service or failure or disruption of any relevant stock exchange, depository, clearing house, clearing or settlement systems or market, or the delivery of fake or stolen securities;
 - (iii) de-listing of Securities or market closure or a relatively small number of scrip accounting for a large proportion of trading volume;
 - (iv) limited liquidity in the stock markets impeding readjustment of portfolio composition;
 - (v) volatility of the stock markets, stock market scams, circular trading of securities and price rigging;
 - (vi) default or non-performance of a third party, a company's refusal to register a Security due to legal stay or otherwise and disputes raised by third parties;
 - (vii) low possibilities of recovery of loss due to expensive and time-consuming legal process; and
 - (viii) changes in the SEBI rules and regulations and laws governing this Agreement.

16. LIMITATION OF LIABILITY

- 16.1 The Client understands that nothing contained herein amounts to any warranty or guarantee (express or implied) of the Portfolio Manager to pay any return of any nature or guarantee any returns or accretions or accruals on the Assets and/or Portfolio in any manner whatsoever.
- 16.2 The Client accepts that the Portfolio Manager and the Sub-delegates shall not be liable for any Losses incurred by the Client or loss of business, goodwill, opportunity or profit suffered by the Client on account of:
- (i) making investments upon the advice of the Portfolio Manager;
 - (ii) any actions taken or not taken by the Portfolio Manager in relation to the investments under this Agreement; or
 - (iii) relying on any investment advice, research report, investment information, research opinion or any other material or information provided by the Portfolio Manager, unless directly caused by the gross negligence, willful default or fraud of the Portfolio Manager.
- 16.3 The Client has sole responsibility for complying with any applicable laws and regulations and the management of the Client's tax affairs. The Client confirms that the Client has been and is compliant with all tax declaration and reporting obligations relating to the Assets held in the Client's accounts and any income or gains they produce (the "Tax Obligations"). The value to the Client, and the effects on the Client, of some of the Portfolio Manager's services may depend on the Client's tax status and the Client should take its/his/her own tax advice to ensure the services are appropriate. The Portfolio Manager will not provide the Client with that advice. For the limited purpose of reference and the tax incidences as applicable as on the Effective Date, the Client confirms that it has read and understood the detailed tax provisions as contained in Part 11 of the Disclosure Document.
- 16.4 The Portfolio Manager shall not be responsible for any breach by the Client of Applicable Laws
- 16.5 The Portfolio Manager shall also not be responsible for any recommendations made, errors of judgment, negligence or willful misfeasance acts or omissions in connection with discharge of duties or acts of any intermediaries, brokers, custodians etc.
- 16.6 If the Portfolio Manager is held liable for any Losses suffered by the Client pursuant to this Agreement, the liability of the Portfolio Manager shall not extend beyond the Portfolio Management Fees received by the Portfolio Manager pursuant to the provisions of this Agreement.
- 16.7 In the event any Losses are accrued to the Portfolio Manager owing to any default or inaction of the Client in terms of this Agreement then under such circumstances the liability of the Client shall not exceed the amount of his investment with the Portfolio Manager.

17. REPAYMENT & TRANSFER OF SECURITIES

- 17.1 The Portfolio Manager shall on a best effort basis liquidate the securities in the Client's Portfolio within 30 days from the date of notice of termination and arrange to deposit the net realizable value (i.e. gross market value net of cost of realization) of Securities held in the Client's Account together with all accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividend, interest, bonus as well as residual cash balance, if any on such date, subject to the Client fulfilling all his/her/its obligations under this Agreement, in the designated account. The amount so realized, and/or the Securities together with residual cash balances, if any, due and belonging to the Client, shall be paid / transferred over to the Client, subject to the following deductions:
- a) payments, if any, already made to the Client;
 - b) Portfolio Manager's fee, custody fee, accounting fee, transaction fees and other expenses as described herein the Agreement;
 - c) All taxes, rates, fees, duties, commissions, costs, charges, penalties, deductions, recoveries and/or appropriations, etc., to be made in accordance with applicable law or Rules or Regulations or Bye-laws or otherwise on account of the Client; and
 - d) Any other dues, liabilities, obligations, etc. owed by/due on account of the Client under this Agreement.
- 17.2 The Portfolio Manager, by disbursement through payment and/or transfer of securities, subject to all the above recoveries, deductions and appropriations, shall be validly discharged of all its obligations owed to the Client or his/her/its legal heir or nominee, as the case may be, in respect of this Agreement.
- 17.3 Any accruals, accretions, benefits, allotments, calls, refunds, returns, privileges, entitlements, substitutions and/or replacements or any other beneficial interest including dividends, interests, rights, bonus, voting rights arising out of the amount, shall accrue to or vest in the Client and which, if received by the Portfolio Manager shall be returned/made over to the Client in full.
- 17.4 Subject to the provisions of Clause 17.1 above, at any point of time if the Client's portfolio is valued in excess of the Minimum Investment Amount, the Client shall be entitled to withdraw such surplus amounts.
- 17.5 Subject to the requirement of the Regulations with respect to the Minimum Investment Amount, the Client shall have the right to increase its funds in the Portfolio by way of executing a fresh Application Form for such additional funds.

18. CONFIDENTIAL RELATIONSHIP

- 18.1 The terms and conditions of this Agreement, and all information and recommendations furnished by the Portfolio Manager to the Client, shall be treated as confidential by the Parties, and shall not be disclosed to third parties except as provided for in herein and except as required by Applicable Laws, and in response to appropriate requests of regulatory authorities, or as otherwise expressly agreed to in writing by the parties.
- 18.2 The Client will treat as confidential (both during and after the termination of the relationship between the Parties) any information obtained from or learned about the Portfolio Manager, including without limitation, its investment approach or holdings or its products or services in the course of their relationship under this Agreement. The Client will not disclose the same to any third party without the Portfolio Manager's prior written consent. These obligations shall not apply to information which (i) is, or becomes, known to the public, (ii) is received by the Client from a third party entitled to disclose it, or (iii) is disclosed to competent government authorities or courts or other tribunals in accordance with the requirements of the Applicable Laws.
- 18.3 The Client consents and authorizes the Portfolio Manager to hold and process any personal information relating to the Client (including information relating to repayment or fulfillment of the Client's obligations under this Agreement or failure thereof, details of any of the Client's accounts, assets, transactions and account relationship with the Portfolio Manager (if any)), biometric information to uniquely identify the Client and financial information obtained by the Portfolio Manager in connection with or pursuant to this Agreement and dealings between the Portfolio Manager and the Client, whether it concerns the Client, its relevant beneficial owner(s) (if applicable) or acquaintances.
- 18.4 The Client consents and authorizes the Portfolio Manager to share with Client's Introducer / Referrer, if any, as mentioned on account opening form or on schedules to this agreement, the details of any of the Client's accounts, assets, transactions and account relationship with the Portfolio Manager in connection with or pursuant to this Agreement and dealings between the Portfolio Manager and the Client.

19. RISK DISCLOSURES

- 19.1 The Client acknowledges that the Client has received, read and understood the Disclosure Document and Form C as prescribed under the Regulations provided by the Portfolio Manager.

- 19.2 The Client acknowledges that the Client has read the risk Disclosure Documents in respect of investing the funds in Securities and is informed, aware and has understood the risks associated with investing the funds in Securities.
- 19.3 The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities.
- 19.4 The Client acknowledges that the following risk inter alia are associated with management of the Asset by the Portfolio Manager pursuant to this Agreement:
- (i) The securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the portfolio concepts/products will be achieved. Clients/ Investors are not being offered any guaranteed or assured return on the portfolio.
 - (ii) The portfolio managers do not have any previous experience/ track record.
 - (iii) All transactions of purchase and sale of securities will be disclosed by the Portfolio Manager or its employees, who are directly involved in investment operations, if found having conflict of interest with transactions in any of the Investor's portfolio.
 - (iv) **Risk arising due to policy changes**
 - A. The performance may be affected by changes in government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets. While Securities that are listed on the Stock Exchanges carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the Stock Exchanges.
 - B. The past performance does not in any manner indicate the future performance of the portfolio concepts.
 - (v) **Risk arising from the investment objective, investment strategy and asset allocation.**

The PMS is run with an objective to achieve reasonable returns consistently.

Given this background the investor investing in the PMS faces the following risks:

 - (i) **Political, economic and / or related risks**

The Assets value of the portfolio and the liquidity of the Securities may be affected by changes in government policy, taxation, interest rates, social and religious instability and political, economic or other developments in or affecting India.
 - (ii) **Industry risk**

The value of shares of companies in a particular industry may be affected due to factors affecting the industry like changes in government policy on duties, FDI or a foreign country, which is a big market for the industry, may impose restrictions on import etc.
 - (iii) **The Indian Securities Market**

The Indian stock markets in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in future. Actual market trend may be in variance with anticipated trends hence, the decisions of the Portfolio Manager may not be always profitable.

 - (a) Debt Security: Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
 - (b) Gold Exchange Traded Fund: currency risks, counter party risk, liquidity risk and loss of physical gold.
 - (iv) **Liquidity Risk**

Some stocks that the investor might be invested in might not be highly liquid. Though it will be the PMS service providers endeavor to restrict investments in less liquid stocks to a lower limit, there is an exposure of liquidity risk to the investor.
 - (iv) **Risk arising out of non-diversification**

The portfolios may be concentrated in a limited number of scrips owing to the investment objectives of respective portfolio concepts or the market conditions prevalent at various points in time. This may pose the ‘non diversification risk’ to the portfolio performance.

- 19.5 The Portfolio Manager has commenced portfolio management services operations in *{insert date}* and has no track record, with regard to activities of a portfolio manager prior to it.
- 19.6 After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss for which the Portfolio Manager shall not be held liable or accountable under any circumstances.

20. WITHDRAWAL

- 20.1 Subject to other provisions of this Agreement and the Applicable Laws, the Client may partially withdraw Assets placed with the Portfolio Manager. Unless the Portfolio Manager agrees otherwise, the Client must give at least five (5) Business Days prior written notice if the Client wishes to withdraw Assets and any withdrawal must not result in the remaining Assets with the Portfolio Manager with a value less than the Minimum Investment Amount.

21. INSTRUCTIONS AND COMMUNICATIONS

- 21.1 The Client or any other person, whose authority has previously been notified to the Portfolio Manager in writing, may at any time give instructions concerning the Client’s Portfolio. Any communication between the Parties shall be in writing via email. The Portfolio Manager may contact the Client on any matter relating to his/her/ its Portfolio, subject to any restriction imposed by the Client.
- 21.2 Any query relating to a contract note or other written communication sent to the Client must be raised immediately upon its receipt. Any statement, notice, document and/or other communication which the Portfolio Manager is required to or may send to the Client under this Agreement will be sent by via email to compliance@fractalcapital.in and/or RPAD to the permanent postal address provided in the application form or to such other address as may have subsequently provided. If sent via RPAD, it will be deemed to have been received or served within five business days of posting. If sent by electronic means, it will be deemed to have been in writing and to have been sent or served at the time of transmission.
- 21.3 The Client agrees, acknowledges and undertakes:
- (a) that it is not possible to completely secure and maintain confidential internet communications (whether encrypted or not) and accordingly that the confidentiality, security and integrity of any internet communications cannot be assured;
 - (b) not to send or transmit any internet communications which contain a virus or other media damaging to the Portfolio Manager’s property or computer systems or which may be defamatory, libelous, slanderous, obscene, abusive, offensive, menacing or immoral and to abide with all relevant laws, regulations and international conventions or treaties governing the content of and the transmission of such internet communications.
- 21.4 The Client agrees to provide to the Portfolio Manager, all changes to the information provided by the Client in the schedules or any “Know Your Client” form.

22. ANNUAL REPORTS

- 22.1 All annual reports, shareholder information and all other similar or related material received by the Portfolio Manager in relation to the Securities or the Funds, may be destroyed or disposed of in any manner at the discretion of the Portfolio Manager. The Portfolio Manager shall not be obliged to send any of the aforesaid information or material to the Client.
- 22.2 While the Portfolio Manager shall act in accordance with the Applicable Laws, the Client agrees that the Portfolio Manager shall not be bound to exercise any voting rights in relation to Securities held by the Portfolio Manager in its name or in the name of a custodian or any other person.
- 22.3 The Client hereby agrees that the Client’s purpose and objective of this Agreement does not cover the exercise of any voting rights by the Portfolio Manager.

23. REPRESENTATIONS AND WARRANTIES

- 23.1 The Client hereby represents and warrants to the Portfolio Manager as follows:
- (i) The Client has full power, capacity and authority to execute, deliver and perform its obligations under this Agreement and has taken all necessary action (corporate, statutory, contractual or otherwise) to ensure compliance with Applicable Laws to enter into, exercise its rights and comply with its

obligations under this Agreement in accordance with its terms and such actions are in full force and effect and will continue to be taken, including as to any approvals or authorizations required and as to disclosure requirements and regulatory reporting obligations and the Client will provide proof of the same to Portfolio Manager as reasonably required.

- (ii) This Agreement has been duly executed and delivered by the Client and constitutes the legal, valid and binding obligations of the Client, enforceable against the Client in accordance with their terms.
 - (iii) The execution, delivery and performance by the Client of this Agreement and the acts and transactions contemplated hereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under:
 - a) any law to which the Client is subject; or
 - b) any order, judgment or decree applicable to the Client; or
 - c) any term, condition, covenant, undertaking, agreement or other instrument to which the Client a party or by which it is bound.
 - (iv) There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature or negative reputational issues existing, threatened or pending against the Client that may prejudice the due performance or enforceability of this Agreement. In the event of any of the above being commenced against the Client, the Client shall promptly provide written disclosure of the same to the Portfolio Manager.
 - (v) All information provided and the statements made in the Application Form and other account opening documentation (including but not limited to the relevant client details forms) are true and are not misleading (whether by reason of an omission to state a particular fact or otherwise as at the time of completing the account opening documentation or at any time thereafter).
 - (vi) Cash corpus/securities handed over to the Portfolio Manager upon execution hereof, absolutely belongs to him/her/it and there is no encumbrance on the same, of whatsoever nature, and he/she/it shall not create any encumbrance on the assets whether by way of pledge, lien, mortgage, hypothecation or any other charge, during the currency of this Agreement and shall also at all times comply with all the relevant laws, rules and regulations as may apply to his/ her/its dealings therein.
- 23.2 The Client shall inform the Portfolio Manager within three (3) Business Days of any change in the information provided to the Portfolio Manager including without limitation information provided to the Portfolio Manager at the time of account opening. In particular, the Client must update the Portfolio Manager with:
- (i) any changes in the Client's residential status or information such as the Client's address,
 - (ii) any restrictions that have been or are imposed upon the acquisition of Securities by the Client; and
 - (iii) any changes that are relevant to the Client's Tax Obligations. Some services may no longer be available if the Client's status changes (for example, if the Client becomes resident in another country), If the Client does not update the Portfolio Manager, the Client may not receive notices of changes to this Agreement.

24. FORCE MAJEURE

- 24.1 The Portfolio Manager shall not be in breach of this Agreement if there is any loss or damage, and shall not be liable or responsible for any loss or damage, incurred by the Client as a result of, any total or partial failure, interruption or delay in performance of its duties and obligations occasioned by any act of God, fire, act of government, state, governmental or supranational body or authority or any investment exchange and/or clearing system, war, lockdown, pandemic, civil commotion, terrorism, failure of any computer dealing system, interruptions of power supplied, labor disputes of whatever nature or any other reason (whether or not similar in kind to any of the above) beyond the Portfolio Manager's control.
- 24.2 Either Party shall be entitled to terminate this Agreement in the event a Force Majeure event continues (without interruption) for a period of 30 Business Days or more. All terms and conditions as contained in this Agreement relating to mutual termination shall become effective upon such termination including the terms relating to dissolution of the Portfolio. Any termination due to occurrence of a Force Majeure event as provide for in this Clause 24.2 shall at all times be deemed to be a mutual termination with no cost or claim to either Party.

25. ASSIGNMENT

- 25.1 The Client shall not be entitled to assign any of its rights, obligations or benefits under this Agreement without the prior written consent of the Portfolio Manager.

25.2 To the fullest extent permitted by the Applicable Laws, the Portfolio Manager shall be entitled to assign its rights, obligations and benefits under this Agreement to any successor entity or to any other third-party entity at its discretion, provided that:

- (i) the Portfolio Manager reasonably considers the transferee is capable of performing its obligations under this Agreement; and
- (ii) the Portfolio Manager has given the Client notice of the transfer (unless that is impracticable in the circumstances). For the purposes of giving the Client notice under this clause, if the Portfolio Manager is not reasonably able to serve written notice on the Client personally, the Portfolio Manager may instead give the Client notice through any print or electronic media in accordance with Applicable Laws and such notice will be deemed to be notified to the Client on the date of publication or broadcast.

26. AMENDMENTS AND VARIATIONS

26.1 The Portfolio Manager may at any time amend, vary or modify this Agreement, with written consent of the Client.

27. GOVERNING LAW AND JURISDICTION

27.1 This Agreement and its performance shall be governed by and construed in all respects in accordance with the Laws of the Republic of India. Any action, dispute or difference arising under or relating to this Agreement (“**Dispute**”) shall at the first instance be resolved through good faith negotiations between the Parties to the Dispute, which negotiations shall begin promptly, within fifteen (15) days after a Party has delivered to the other Party a written request for such consultation. If the Parties to the Dispute are unable to resolve the Dispute in question within Thirty (30) days of the commencement of negotiations, the Dispute shall be referred to and finally and conclusively settled by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996 where the following shall apply:

- (i) The venue and seat of arbitration shall be Mumbai, India.
- (ii) All proceedings, including issuance of an arbitration award, in any such arbitration, shall be conducted in English.
- (iii) The arbitration shall be conducted by a single arbitrator jointly appointed by the Parties to the Dispute.
- (iv) The arbitrator will have the power to grant any remedy or relief that they deem just and equitable, including but not limited to injunctive relief, whether interim and/or final.
- (v) The arbitration award shall be final and binding on the Parties, and may be enforced by any court of competent jurisdiction.
- (vi) The provisions of this Clause shall survive the termination of this Agreement.

27.2 Subject to the provisions of Clause 27.1 above, the Courts at Mumbai shall have the exclusive jurisdiction to adjudicate the Dispute arising out of or in respect of this Agreement and/or the transaction contemplated herein.

28. GRIEVANCE REDRESSAL AND DISPUTE RESOLUTION SYSTEM

28.1 The Client should promptly notify any grievances to the Portfolio Manager in writing giving sufficient details to enable the Portfolio Manager to take necessary steps. The Compliance Officer of the Portfolio Manager shall be the sole point of contact for grievance addressal. Details of the Compliance Officer are detailed in the Disclosure Document.

28.2 The Compliance Officer of the Portfolio Manager shall attend to and address any query or concern of the Client as soon as practicably possible. If during the review of complaints, it is noticed that the complaint is due to same procedural lapses or due to any other identifiable reasons, then necessary corrective steps shall be taken immediately. Complaints shall be generally resolved within 30 days from the date of receipt of any complaint. If there is a failure to address the complaint within the mandated period then the client shall have the right to raise the grievance in accordance with the SCORES Mechanism or such other mechanism as prescribed by the Board from time to time.

29. JOINT ACCOUNT

29.1 If the Client is more than one person the Client’s obligations under this Agreement shall be joint and several. It is clarified that in case of the joint client account all dealings with the Client under this Agreement, including but without limitation the payment of Assets of the Portfolio on termination or expiry of the Agreement would be undertaken by Portfolio Manager with the first holder of the Account or the person jointly authorised by all

the account holders. In case the Client proposes to disclose the information of its Portfolio/Asset to any other person, the Client shall make the written request to the Portfolio Manager in such form as may be specified by the Portfolio Manager from time to time.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT ON THE DAY AND THE YEAR FIRST ABOVE WRITTEN AND AT THE PLACES AS MENTIONED HEREIN ABOVE.

SIGNED AND DELIVERED

by the within named "Portfolio Manager"

SIGNED AND DELIVERED

for and on behalf of the within named "Client"

For Fractal Capital Investments LLP

Authorized Signatory

Authorized Signatory

Witnesses:

- 1.
- 2.

DECLARATION BY CLIENT

To,

FRACTAL CAPITAL INVESTMENTS LLP

10th Floor AWFIS, A-Wing, Parinee Crescenzo
BKC, Bandra (E), Mumbai – 400051

**Sub: Risk Disclosure Document and Form C of Fractal Capital Investments
LLP**

Dear Sir,

We wish to inform you that I/We have read and understood the contents of the Disclosure Document as specified Schedule V of the Regulation 22 (4) of the Securities and Exchange Board of India (Portfolio Managers) Regulation 2020, along with enclosed certificate in Form C as specified in Securities and Exchange Board of India (Portfolio Managers) Regulation 2020 and provided to me/us at least two (2) days prior of entering into the Portfolio Investment Management Agreement.

We further confirm that all the instruction that are to be given to the Portfolio Manager shall only be via electronic mail addressed to compliance@fractalcapital.in or via registered AD.

Thanking You,

Yours Truly,

CLIENT NAME

CLIENT SIGNATURE

CLIENT CODE

DATE & PLACE

To,

FRACTAL CAPITAL INVESTMENTS LLP

10th Floor, AWFIS, Parinee Cresceno,
A-Wing, G-Block, Bandra Kurla Complex,
Bandra East, MUMBAI – 400 051

Sub: Acceptance of Proposal

Dear Sir,

I hereby acknowledge that I have received and understood the following:

1. Risk Disclosure Document dated _____
2. Portfolio Investment Management Agreement dated _____
3. Performance Fee Illustration & Performance fees Structure.
- 4.

I agree to invest:

Initial Investment Amount: Rs. _____

Existing Portfolio Value: Rs. _____ as on _____

I further agree to pay the Fees as below:

Upfront Fees	Nil
Fixed Management Fees	

Signature of the Client

Performance based fee as follows: (if applicable)

Returns	8%	Above 8%
Return Based Fees		

Signature of the Client

1. Brokerage: _____ %
2. Custodian Fees: _____
3. Other expenses: _____

I further agree that the investment plan chosen by me is: Please (√)

WEALTH BUILDER
WEALTH OPTIMIZER



Declaration: (in Client own handwriting)

"I / We have understood the fees and expense structure of the Portfolio."

CLIENT NAME

CLIENT SIGNATURE

CLIENT CODE

DATE & PLACE

NOMINATION FORM

I/We hereby nominate the following person(s) who shall, in the event of my death, be entitled to receive the securities / balances in my account, to the exclusion of all other persons. This nomination shall supersede any prior nomination made by me and also any testamentary document executed by me.

Notes:

- Ensure signatures across the photograph(s)

<p>Nominee's Photo</p> <p>Nominee's Signature to be affixed across the photograph</p>
--

<p>Guardian's Photo</p> <p>Guardian's Signature to be affixed across the photograph</p>
--

Details of Nominee										
Name of the Nominee (Cannot be one of the holders)										
Relationship with Applicant										
Date of Birth	<input type="checkbox"/>	<input type="checkbox"/>							PAN	

Address				
	Country		Pin Code	
Email ID				
Phone Contacts				

Details of Guardian (Required only if Nominee is Minor)			
Name of the Guardian			
Relationship with Applicant		PAN	

Address of Guardian			
	Country		PIN
Email ID			
Phone Contacts			

Details of the Account Holders	
Name of the Sole / First Holder	Signature

Name of the Second Holder	Signature
Name of the Third Holder	Signature

Witness 1 (Mandatory)	
Name:	
Address:	
Signature:	
Place:	Date: dd / mm / yyyy

Witness 2 (Mandatory)	
Name:	
Address:	
Signature:	
Place:	Date: dd / mm / yyyy

POWER OF ATTORNEY

TO ALL TO WHOM THESE PRESENTS SHALL COME, I/WE,

Individual / NRI / Trust / HUF/ Firm / a Limited Liability Partnership incorporated under the provisions of The Limited Liability Partnership Act, 2008 / a company incorporated under the provisions of the Companies Act, 1956 or Companies Act, 2013, residing at / having its registered office/ place of business at

(hereinafter referred to as “**the Client**” which expression shall, unless the context otherwise requires, be deemed to include his/her successors, administrators, executors and assigns)

WHEREAS:

By a Portfolio Investment Management Agreement (hereinafter referred to as “**the Portfolio Management Agreement**”) entered into between the Client of the one part and Fractal Capital Investments LLP (“Fractal”), a Limited Liability Company incorporated under the Limited Liability Partnership Act, 2008, and having its Principal office at C-402, Lokhandwala Residency, Manjrekar Marg, Worli, Mumbai - 400018 registered with SEBI (Portfolio Managers) Regulations 2020 vide authorization No. [•] of the other part, the client appointed Fractal Capital Investments LLP, as the Portfolio Manager (hereinafter referred to as “**the Portfolio Manager**”/ “**Constituted Attorney**” which expression shall unless repugnant to the context and meaning thereof be deemed to mean and include successors and assigns) to manage, invest and operate the assets of the Client including, without limitation, with a power to appoint custodians, agents, representatives, banks or service providers or other persons as the Portfolio Manager may deem fit from time to time to perform any of the functions which the Portfolio Manager is empowered / obligated to perform and to delegate to such persons the authority/power to perform any of the functions to be performed by the Portfolio Manager and provide such instructions as the Portfolio Manager may deem fit from time to time to enable such performance.

I/We hereby irrevocably confirm the appointment of the Portfolio Manager for the Securities the Client owned, acquired or dealt with or to be owned, or dealt with or to be owned in the name of the Client and the Portfolio Manager agrees to act and provide portfolio management services for the Asset in the manner set out herein:

NOW KNOW YE ALL AND THESE PRESENTS WITNESS THAT, I /We, the Client(s) who are signatories to this Power of Attorney do hereby nominate, constitute, appoint and authorise the said Portfolio Manager to act through any of the officers, authorised to act as such by the Portfolio Manager to be the Client's lawful attorney and to do all or any of the following acts, deeds and things in respect of the Portfolio Management:

1. The term "Securities" shall have the meaning as ascribed under the Portfolio Management Agreement.
2. To appoint, nominate, engage and instruct brokers, custodians, depository participants, advisors and/or agent of other intermediary in relation to the Portfolio Management services including but not limited to effecting purchase, sale and transfer of the Securities and to enter into agreements and deal with them for the same and share information with them as required or deemed fit for the purpose of rendering portfolio management services.
3. To acquire by subscribing to or by purchase of Securities and to sell, redeem, deliver, transfer and endorse the securities or redeem the same through signing and to execute all transfer deeds whether as transferor or transferee and such other instruments, application and papers as may be necessary for the purpose of acquiring or transferring /redeeming the same.
4. For the purpose of the aforesaid to sign contracts, agreements, transfers, acceptances, receipts, acquittance or other instruments, documents and forms, to accept and carry out correspondence with such person(s) or authority/authorities or department(s) and to do all lawful acts requisite for effecting the same.
5. To give instructions to the Custodian or any other authorised agent to acquire by subscription, purchase or otherwise, any Securities; to sell, transfer, endorse or deliver any Securities now standing in the name of the Client or to be hereafter acquired and to sign and execute all transfer deeds, forms, applications or such other instruments, documents and papers as may be necessary for the purpose of acquiring or transferring the Securities in the name of the Client, Selling the Securities held in the name of the Client.

6. To make application for, or to renounce and sign renunciation forms in respect of bonds/debentures, rights shares and additional shares of any company/body/authority and to receive and hold such rights or additional shares, bonds or debentures at your own discretion.
7. To rebalance the Assets / Portfolio as deemed fit.
8. To open and operate depository account more particularly, opened / to be opened with any other DP at the discretion of the portfolio manager, to issue instructions relating to dematerialisation or rematerializing of securities, freezing of accounts, to block and/or debit the account, to give delivery/receipt instructions, pledge instruction, pledge closure instructions, lending and borrowing instructions, and to do all such other things that may be required in the course of business relating to the depository account opened on my/our behalf including closure of the account if deemed necessary or expedient.
9. Subject to the extant exchange control regulations in India to demand, receive and give good and effectual receipt(s) and discharge(s) for all or any dividends, interest, bonuses or any other sum(s) and/or income from the shares, debentures, units and other investments and to sign and endorse pay orders, dividend or other dues of whatever nature or account which are now or at any time may be due and payable and belong to me/or us on any account(s).
10. To operate one or more bank accounts as designated by the Client.
11. To collect and deposit the monies realized from sale of the securities and all interest/ dividends on my/ our behalf in my/our behalf at the discretion of the Portfolio Manager and/or to invest the same in any other securities/units of mutual fund/ or in any other Security which the Attorney considers best under the circumstances.
12. To comply and/or cause to be complied with all statutory and other requirements attached to or arising out of these premises and for these purposes to take such steps and actions necessary.
13. To receive statements, notices, any other communication from Depository Participants, brokers, custodians and/or any other agents/parties from time to time.
14. To debit the Client's account for all the service charges, fees, out of pocket expenses, franking charges, audit fees or other amounts payable by the Client from time to time in accordance with the PMS Agreement.
15. To delegate to such person/body corporate to be appointed Constituted Attorney in our name and that of our attorneys with the power to do all acts, things and deeds set out in these presents.
16. To make and file proofs of claim and generally to represent us in any liquidation, bankruptcy, or insolvency all in relation to the aforesaid investments or any of them.
17. This Power of Attorney given under my/our hands is irrevocable by me/us during the tenure of my/our Portfolio account with Fractal Capital Investments LLP, is operational in accordance with the terms and conditions of such portfolio(s) strategies statutory regulations.
18. To receive, deliver endorse, dematerialize, rematerialize or otherwise transfer and assign all securities issued by any Government or local authorities, shares, stocks or debentures in any company or corporation, whether incorporated in India or in any other country including the said Attorney or any other stocks, funds, debentures and securities of any description, including any units issued by any unit trust or mutual fund (hereinafter referred to as "Securities") which do now or shall hereafter stand in our name which we may now or at any time hereafter acquire.
19. To perform all such acts at any time as may be deemed by our attorney to be advisable including without limitation the generality thereof: executing and delivering indemnities, guarantees, receipts and/or other documents as may be necessary or desirable.
20. To surrender securities in temporary form for definitive securities.
21. To receive and transmit to us notices of Shareholders' meetings, dividend notices and any other related information.
22. To attend and vote or appoint any person to attend and vote as our proxy at any meetings of the company and/or its creditors and to effect, sanction or oppose any exercise or modification of rights relating to the said investments or any of them, in accordance with our instructions.
23. Words not specifically defined herein shall have the same meaning as ascribed under the Portfolio Management Agreement.

I/We, hereby agree to ratify and confirm whatsoever shall be done in the premises by virtue of these presents either by the Attorney or by any substitute appointed by the Attorney and generally the Attorney shall have the power to do, execute and perform any other act or acts, deeds, matter or things whatsoever which in the opinion of my/our said Attorney ought to be done, executed and performed by virtues of these presents as I, myself/we ourselves could do the same if I/we were personally present.

It is hereby clarified and declared that the Attorney being a body corporate, the power herein above granted may be exercised by any of its agents or employees to whom the Attorney may delegate any of the powers aforesaid and accordingly the Attorney may appoint and remove any subagent or Attorney from time to time as it may consider appropriate.

This power of attorney above shall continue to subsist after the death / dissolution of the Client for a period of 30 (thirty) days from the date on which Portfolio Manager is informed of the death /dissolution of the Client by the Nominee of the Client as appointed under the Portfolio Management Agreement.

(P.T.O)

IN WITNESS WHEREOF I/WE hereunto set my/our hand(s) on this the _____ date at

Client's Signature

Witness' Signature

Name of Witness 1: _____

1st Witness' Signature: _____

Name of Witness 2: _____

2nd Witness' Signature: _____

Before me

Notary

We Accept

For Fractal Capital Investments LLP

(Authorised Signatory)

SCHEDULE A

	First Holder	Second Holder	Third Holder
Name (BLOCK LETTERS)			
Address			
Place of Execution			
Effective Date			

BANK ACCOUNT DETAILS

Type of A/c (Saving / Current)	
Bank Name	
Branch & Address	
IFSC Code	
Bank Account Number	

CHANNEL PARTNER DETAILS, IF APPLICABLE

Entity Name		
Relationship Manager		
Email ID		
Phone Number		
Mobile Number		

For office Use:

Channel Partner Code:

--

NAME AND SIGNATURE DECLARATION

Date: ____/____/20____

DECLARATION FOR SPECIMEN SIGNATURE:

With reference to my account opening form submitted herewith, I request you to record with yourselves my signature as given below. I confirm that my details and signature provided are true and updated and if it is found to be different from the signature recorded in the PAN card it could be because of lapse of time. I undertake not to hold Fractal Capital Investments LLP or any of its officials responsible for any direct, indirect, claims, loss suffered by me due to Fractal Capital Investments LLP undertaking of any of the aforementioned actions.

	First Holder	Second Holder	Third Holder
Name (BLOCK LETTERS)			
Specimen Signature			
Initial			

DECLARATION FOR NAME MISMATCH: *(To be filled if the name on documents is different)*

This is to bring to your notice that my name is spelt differently in my PAN Card / Identity Proof / Address proof and/or Bank proof. Please find below the names as spelt in respective proofs:

Name as per	First Holder	Second Holder	Third Holder
PAN CARD			
Identity Proof			
Address Proof			
Bank Proof			
Account Opening Form & KRA			
<i>I hereby confirm that all the said names belong to me. I hereby state and confirm that what is stated above is true and correct information.</i>			
<i>I agree to indemnify and keep indemnified at all times from and against all costs, charges, damages, penalties (including Reasonable attorney fees) suffered and/or incurred by for any act done or omitted to be done on the above declaration.</i>			
Signature			

- A. Capital appreciation
- B. Gradual accrual
- C. Combination of both
- 4. Risk Tolerance – Please Tick. Low Medium High
- 5. Time period for which investments are proposed to be made with the PMS
 - A. 1-3 years
 - B. 3-5 years
 - C. >5 years
- 6. Provisions for systemic withdrawal (FILL ANY ONE)
 - A. Monthly Amount _____
 - B. Quarterly Amount _____
 - C. Annual Amount _____
 - D. None of the above
- 7. Investment approach opted by client. Please Tick
 - A. Wealth Builder
 - B. Wealth Optimizer
- 8. Details of portfolio construction for the client

	Range %
Equities	
Equity Mutual Funds	
Debt Mutual Funds	
Others	

Declaration as to ownership of Funds:

I/We,.....,
residing _____ at

.....
.....,
hereby confirm that the funds deployed under the PMS scheme belong to me and no third party has any claim over the same.

Companies where the client is restricted from investing due to extant law / regulations.

- 1. _____
- 2. _____
- 3. _____

CLIENT NAME

CLIENT SIGNATURE

CLIENT CODE

DATE & PLACE

SCHEDULE C
PORTFOLIO MANAGEMENT FEES & LIST OF CHARGES

(i) Fees payable to the portfolio manager for discretionary services:

	Wealth Builder ¹	Wealth Optimizer ²
Option I		
Management Fees	2.5% per annum	1.0% per annum
Option II		
Management Fees	2.0% per annum	-
Performance Fees	20.0% per annum on all returns in excess of 8.0% per annum, without catch-up, subject to a high watermark	-

Note:

- (1) All percentages are levied with respect to average daily NAV over the course of the computation period.
- (2) The Management Fees is charged on a quarterly basis at the end of calendar quarters (31st March, 30th June, 30th September and 31st December). The first computation period will be determined on a pro-rata basis.
- (3) The Performance Fees is charges on an annual basis at the end of financial year (31st March). The first computation period will be subject to minimum 365 days from the account opening date.
- (4) In case of partial redemption or early termination of agreement before the due date of fees, then the fee would be recovered on a pro-rata basis till the date of redemption / agreement termination.
- (5) For the purpose of this schedule The **Net Asset Value (NAV)** for any given day will be calculated by aggregating the following: The total market value of all Securities as on the end of the day, cash/bank balance as at the end of the day, all income (dividend, interest, etc.) accrued on the investments over the course of the day, and reducing from this aggregate the charges, fees, expenses and other costs, all receivables and payables due from / to the client at the end of the day.

(ii) Exit Load – The following exit load shall be applicable on the amount redeemed, in part or in full

	Wealth Builder	Wealth Optimizer
Exit Load		
In the 1 st Year	3.0% per annum	2.0% per annum
In the 2 nd Year	2.0% per annum	1.0% per annum
In the 3 rd Year	1.0% per annum	0.5% per annum
After the 3 rd Year	NIL	NIL

Note: The exit load mentioned above is over and above the exit load charged by mutual fund schemes that are invested in, if the same is applicable. For avoidance of doubt, it is clarified that in the event the client terminates the Services (without cause as mentioned in the Agreement) during the aforesaid period, the exit load as mentioned above shall be applicable on the amount redeemed.

¹ Schedule B-1 encapsulates in detail the Investment approach for Wealth Builder

² Schedule B-2 encapsulates in detail the Investment approach for Wealth Optimizer.

ILLUSTRATION 1: OPTION 1 (Only Management Fees Structure)

Key Assumptions:

- 1) Initial Portfolio Size: Rs 50,00,000
- 2) Upfront fees: Nil
- 3) Management Fees: 2.0%
- 4) Performance Fees: Nil

Portfolio Performance: Gain of 20%		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	
Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	10,00,000	
Gross Value of the portfolio at the end of the year		60,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	30,000	
Management Fees	1,20,000	
Performance Fees	0	
Total Charges during the year		1,50,000
Net Value of portfolio at end of year		58,50,000
% change over capital contributed		17.00%

Portfolio Performance: Loss of 20%		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	
Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	-10,00,000	

Gross Value of the portfolio at the end of the year		40,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	25,000	
Management Fees	1,00,000	
Performance Fees	0	
Total Charges during the year		1,25,000
Net Value of portfolio at end of year		38,75,000
% change over capital contributed		-22.50%

Portfolio Performance: No change		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	
Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	-	
Gross Value of the portfolio at the end of the year		50,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	25,000	
Management Fees	1,00,000	
Performance Fees	0	
Total Charges during the year		1,25,000
Net Value of portfolio at end of year		48,75,000
% change over capital contributed		-2.50%

* Only for illustrative purposes. For actual transactions / operating expenses please refer to the list of charges and costs at the end of this section

** Only for illustrative purposes. Actual calculation of the management fees will be on average daily NAV, payable on a calendar quarter basis as illustrative earlier.

ILLUSTRATION 2: OPTION 2 (Management + Performance Fees Structure)

Key Assumptions:

- 1) Initial Portfolio Size: Rs 50,00,000
- 2) Upfront fees: Nil
- 3) Management Fees: 1.0% per annum
- 4) Hurdle Rate: 8.0% per annum
- 5) Performance Fees, subject to a high watermark: 20.0% of returns in excess of hurdle rate

Portfolio Performance: Gain of 20%		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	
Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	10,00,000	
Gross Value of the portfolio at the end of the year		60,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	30,000	
Management Fees	60,000	
Performance Fees	1,02,000	
Total Charges during the year		1,92,000
Net Value of portfolio at end of year		58,08,000
% change over capital contributed		16.16%

Calculation of Performance Fees for above		
Serial No.	Nature of Fees	Amount in Rs
A	Profit for the year	9,10,000
B	Less: Minimum profit level (Hurdle Rate@8%)	4,00,000
C	Amount on which Profit-Sharing Fees to be calculated (B-A)	5,10,000
D	Performance Fees (@20% of C)	1,02,000

Portfolio Performance: Loss of 20%		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	

Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	-10,00,000	
Gross Value of the portfolio at the end of the year		40,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	25,000	
Management Fees	50,000	
Performance Fees	0	
Total Charges during the year		75,000
Net Value of portfolio at end of year		39,25,000
% change over capital contributed		-21.50%

Portfolio Performance: No change		
Nature of Fees	Amount in Rs	Amount in Rs
Capital Contribution	50,00,000	
Less: Upfront fees (If any)	NIL	
Less: Any other fees	NIL	
Assets under management	50,00,000	
Add: Profits on investment during the year @ 20% on assets under management	-	
Gross Value of the portfolio at the end of the year		50,00,000
Less:		
Costs / Levies (Brokerage/Custody charges/DP charges etc) (@ 0.5%)	25,000	
Management Fees	50,000	
Performance Fees	0	
Total Charges during the year		75,000
Net Value of portfolio at end of year		49,25,000
% change over capital contributed		-1.50%

* *Only for illustrative purposes. For actual transactions / operating expenses please refer to the list of charges and costs at the end of this section*

** *Only for illustrative purposes. Actual calculation of the management fees will be on average daily NAV, payable on a calendar quarter basis as illustrative earlier.*

*** *“High Water Mark” shall mean the higher of either ‘corpus investment value’ or ‘highest NAV’ at which client has paid performance fees historically.*

LIST OF ASSOCIATED CHARGES AND COSTS

- a) **Set-up Costs / Upfront Fees:** We do not charge any fees to Clients at the time of onboarding except for the specific charges associated with the execution of the agreement and documentation related to the account opening. This cost is expected to be between Rs 1,500 – 3,000.
- b) **Portfolio Management Fees:** Portfolio Management and Advisory fees charged may be a fixed management fee or a combination of fixed management fee and return based variable fees. The client has to choose the applicable fee structure. The performance fee will be charged only on the excess returns generated over and above the applicable hurdle rate.
- c) **Brokerage Charges:** Brokerage will be charged on actuals and is expected to be around 10-15 BASIS POINTS of the transaction value plus associated duties and levies. These are amounts payable to the broker for opening of an account, execution of transactions on the recognized stock exchange or otherwise for facilitating the transfer of Securities and may interalia include service charges, stamp duty costs, GST, STT etc.
- d) **Custodial Charges:** The Portfolio Manager intends to outsource the custodial services which relate to safekeeping of securities, settlement of trades executed on the stock exchanges, opening and maintenance of depository account, dematerialization of securities, tracking of corporate benefits due to the clients, appointment of proxy on behalf of the clients to vote etc. The custody charges will be billed on actuals and are expected to be in the range of 3 - 25 BASIS POINTS of the daily average NAV and chargeable on a monthly basis.
- e) **Depository Charges:** On actuals, as may be applicable from time to time and charged on a monthly basis.
- f) **Fund Accounting Charges:** This includes charges for maintenance and generation of account statement and regular communication with the clients. The fund accounting charges will be upto 5 BASIS POINTS of the average daily NAV and chargeable on a monthly basis.
- g) **Registrar and Transfer Agent Fee:** This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may interalia include stamp duty costs, courier, post and notary charge and is expected to be in the range of 10 BASIS POINTS.
- h) **Bank Charges:** As may be applicable at actuals
- i) **Miscellaneous Expenses:** These will include the expenses incurred in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager in the course of discharging his duties to the Client. Provided that, in the event that any out of pocket expenses to be incurred by the Portfolio Manager on behalf of the Client is to exceed 5% of the investment amount of the Client, the Portfolio Manager shall seek prior written consent of the Client before incurring such an expense.
- j) Goods and Service Tax or any other statutory levy, as applicable from time to time.
- k) The Fees, Charges and Costs shall be recovered against the funds available in the bank account of the client opened for the PMS. The invoice for the same shall be emailed / couriered to the client within 15 days of the end of the month. For all fees and expenses billed to clients, invoices and receipts shall be provided on a quarterly consolidated basis.
- l) All expenses and charges, excluding Brokerage Charges, Set-up Costs and Portfolio Management Fees shall not exceed 0.5% per annum of the Client's average daily NAV.
- m) Charges for all transactions in a financial year (Broking, Demat, custody etc.) through self or associates shall in no case exceed at 20% by value per associate (including self) per service.
- n) Clients have an option to be on-boarded directly, without intermediation of persons engaged in distribution services. The same shall be disclosed prominently on the marketing material and the website.
- o) All expenses and charges, excluding Brokerage Charges and Portfolio Management Fees shall not exceed

0.5% per annum of the Client's average daily NAV.

Client to write **"I have understood the fee clause and computation of fee charged by Portfolio Manager for the Discretionary Portfolio Investment Management Services"** and sign below.

SCHEDULE D-1: INVESTMENT APPROACH (WEALTH BUILDER)

The Portfolio Manager uses the following ‘key’ investment attributes in order to carve out investment strategies targeting a defined objective and attaining a specific characteristic.

- **Investment Objective**

The Investment Objective of this “Investment Strategy” is to create significant value over long term by investing in a concentrated portfolio of Indian equities which are significantly below intrinsic value and with strong long-term prospects. As the equity returns are non-linear, the objective is to stay invested till the return objectives are fully realized and avoid staying invested in an idea longer than required. The Portfolio Manager will opportunistically re-allocate money across stock ideas dynamically.

- **Investment Policy / Strategy**

The Investment Policy follows strict guidelines that ensure we maintain portfolio risk within specified levels and run a diversified portfolio to deliver superior risk adjusted returns to our investors.

- Bottom-up over Top-down:** We combine top-down and bottom-up approaches in our Investment process. At a top-down level we consider the macroeconomic themes and look to identify potential macroeconomic risks or industry-specific issues which could adversely affect returns. The top-down approach is used for determining the overall assumptions on industry specific matters. However, we believe the company specific fundamentals are the key to alpha generation over long investment horizon thus focus on bottom-up fundamental research.
- Growth over Value:** Our approach is in-between the traditional growth and value styles – where we look for undervalued companies that operate differentiated business models with the potential for stable earnings growth in varying market conditions. However, we have bias towards Growth believing that earnings and free cash flow growth is the key long-term driver of stock performance. We believe in growth companies with proven business model with growth potential that is under-estimated by the market.
- BMV Approach:** We follow BMV (Business, Management & Valuation) approach in our fundamental research, where Business takes precedence over Management and Management takes precedence over Valuation. Irrespective of valuation, we will stay away from businesses where we have structurally negative view / lack of proper understanding of business or discomfort with the management and/or corporate governance practices.
- Clear Price Targets:** We seek to invest in companies that in our view have sustainability of business growth and are trading at a substantial discount to their true (intrinsic) value. Post our fundamental research process we will have a clear Price Targets to Buy / Sell. Our Target Entry Price will be arrived at by assuming that the return exceeds the cost of equity by a decent margin over the holding period of investment. We will also maintain the discipline of exiting an investment if the price overshoots Target Exit Price by a large margin, even it happens very early in the Investment horizon. Though we will have Buy-and-Hold strategy, we will not refrain from booking super-normal returns if they are driven by unrealistic expectations from the company.
- Minimal Diversification:** We will not over-diversify the portfolio in order to track the benchmark returns. Over diversifications not just compromises potential returns it also takes away lot of management time. We will target a portfolio of around 15 stocks with a range of 12-18 stocks. We will endeavor to ensure that no single investment will have portfolio weight of more than 20%. Similarly, no single investment will generally have portfolio weight of less than 2%.

- **Investment Approach / Selection**

While evaluating potential equity investments, we focus strongly on the following fundamental characteristics:

- Economic Moat:** Technology combined with ease of raising capital is resulting in rapid disruptions in many existing businesses. We lay strong emphasis on the economic moat of any business i.e. ability of a business to maintain its competitive advantage in order to protect/grow its markets share and earnings over long periods of time. The wide economic moat should result in significant value creation as measured by the difference between ROIC (Return on invested capital) and WACC (Weighted average cost of capital) as well as strong free cash flow generation.
- Management Quality:** We will be biased towards businesses where promoter holding is more than 33%. Promoter integrity, leadership team & corporate culture are important factors in creating a sustainably strong business. A unique leadership and corporate environment may contribute significantly to a corporation's prolonged economic success. Corporate governance becomes even more important in India as many companies have large promoter shareholdings with less reliance on professional management. Owing to the same, the independence of board to ensure oversight may be less reliable.
- Earnings Growth:** Our stock selection hinges primarily on the ability of businesses to generate consistent and superior earnings growth. We rely more on structural changes in the industry, business franchise and new market entry as the drivers for earning growth and stay away from global cyclical driven earnings growth. The business growth enablers could be market share gains, shift towards organized as well as growth in the

opportunity size itself. Besides earnings growth, even quality of earnings has to be emphasized which gets impacted by various factors like inventory accounting, conservatism in bad debt recognition, depreciation rate, tax rate, capitalization of expense etc.

- (d) **Cash Flows:** Free Cash to the Firm is an important factor to generate value for businesses. However, some businesses may not be able to generate significant free cash flow if they are in the enhancing their operating capacities significantly, in which case operating cash flows become important. Pressure on operating cash flows is one of the early signs of increasing pressures in the business. Businesses that demonstrate growth in earnings without commensurate cash flow generation are avoided.
- (e) **Financial Discipline:** We believe that as the industry/product cycles are getting shorter with increased competitiveness, the companies with low leverage are much better placed in most businesses. The preferred businesses for investment are those that have lower debt compared to its immediate competitors as well as the industry average.
- (f) **Improving capital efficiency:** The focus will be to identify companies where there is evidence of trigger points which will lead to expansion of capital return ratios like RoCE and RoE. These are the periods when the equity value of a business shows multiplier effect and generate super normal returns, as was witnessed during the period 2003-2008 in Indian equities market.
- (g) **Business Valuation:** In arriving at the value of a security, we look at a variety of factors. Key focus is on cash flow, economic value added and also analyse trends in capital efficiency. We also examine valuation multiples like EV/EBITDA multiple, P/E multiple, Price to book and PEG ratio on an absolute as well as relative basis for determining the fair (intrinsic) value of the business. We believe in keeping significant margin of safety while evaluating an investment. The price value gap should be higher than the expected return to justify Entry Target Price. More often than not, good businesses going through a bad patch will provide enough price value gap.
- (h) **Monitoring:** We continuously monitor investments to validate our investment hypothesis. When the Exit Target Price, which is equal to or higher than the intrinsic value, is reached or when there has been fundamental deterioration in business models or market conditions in contrast to what was earlier envisaged, we will exit the investment.

- **Client Profile**

This Investment Strategy is suitable for equity investors seeking superior long-term return with long term investment horizon.

Asset Allocation

Percentage of Portfolio Value	Minimum	Maximum	Risk Profile
Equity	65%	100%	High
Cash and/or Liquid funds	35%*	0%	Low

**Implies preferably used when opportunities for equity investments are not attractive*

Benchmark: Nifty 500 Index of the National Stock Exchange of India

SCHEDULE D-2: INVESTMENT APPROACH (WEALTH OPTIMIZER)

The Portfolio Manager uses the following ‘key’ investment attributes in order to carve out investment strategies targeting a defined objective and attaining a specific characteristic. Portfolio universe comprises of all the schemes under equity, debt, commodity and ETF schemes of SEBI registered mutual funds and listed debt instruments.

- **Investment Objective**

The Investment Objective of this “Investment Strategy” is to build wealth over the long term by allocating between equity, commodity and debt mutual funds based on risk profile of the client and the risk reward of the asset class. There will be strategic and tactical change in allocations and scheme selection based on various parameters as defined below.

Investment Policy / Strategy

Portfolio will be managed in a discretionary manner, in a non-pooled account wherein the investments will happen directly in the client’s name Portfolio of Mutual Funds created and managed as per asset allocation based on client’s risk profile.

About the strategy

- (a) **Client Risk Profiling:** Invests predominantly in equity, debt and ETF mutual fund schemes.
- (b) **Asset class allocation:** Allocates among various asset classes based on estimated risk reward.
- (c) **Fund House Selection:** Invests based on the pedigree of the asset management company
- (d) **Scheme selection:** Allocation with due weightage to past performance and likely future performance based on known portfolios. Mutual fund selection based on FPI’s proprietary research methodology and portfolio manager’s view. There is a scoring pattern developed by FPI which ranks the mutual funds based on parameters such as risk adjusted returns, AUM for the scheme, fund manager credentials, bull and bear market performance, churning of stocks in the scheme, fund house credentials, to name a few.
- (e) **Rebalancing:** Focus on sticking to asset allocation through active monitoring of portfolio and rebalancing of invested amount on a periodical basis

Approach Specific Risk Factors

- The performance of the strategy would depend upon the performance of the underlying schemes. All investments in mutual funds and debt securities are subject to the market risks and the NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates
- Investments in Debt Schemes will have all the risks associated with the debt markets including Interest Rate Risk, Duration Risk, Credit Risk and Reinvestment Risk
- To the extent the underlying Debt Schemes/Equity Schemes make investment in overseas financial assets, there may be risk associated with currency movements, restriction on repatriation and transaction procedures in overseas markets
- To the extent the underlying Debt Schemes/Equity Schemes engage in security lending, the Fund will be subject to risks related to fluctuations in collateral value / settlement / liquidity / counter party.
- To the extent the underlying Debt/Equity Schemes are permitted to invest in derivative instruments, the Fund is exposed to higher risk than schemes not investing in derivative instruments
- Periodic rebalancing of portfolio could result in higher transaction costs
- The expenses, charges and fees of this approach will be over and above the expenses charged by the underlying mutual fund schemes.