

**DISCLOSURE OF INFORMATION PERTAINING TO PORTFOLIO MANAGEMENT SERVICES TO THE CLIENTS**

1. Axis Securities Ltd., Portfolio Manager provides an option to clients to be on-boarded directly with us, without intermediation of persons engaged in distribution services.

**2. COMMISSION PAID TO DISTRIBUTORS**

Name of Distributor	Commission Amount (Rs.)	Quarter
Axis Bank Ltd.	95,301/-	April 2020 to June 2020

3. **Change in the Principal Officer** – There is change in the Principal officer. Mr. Vamsi Krishnan UV is appointed as Principal officer in the place of Mr. Naveen Kulkarni.

**4. Investment Approach**

The following is the Investment approach:

1. Investment decision - The Portfolio Manager will not have total discretion to handle client's portfolio.
2. Size of Portfolio - The Client shall commence with a minimum corpus of Rs.50,00,000 (Rupees Fifty Lakhs) and shall endeavour to continue to maintain the corpus of Rs.50,00,000 (Rupees Fifty Lakhs) during the contractual period.
3. Tenure of Offering - Minimum duration will be of 1 year (the agreement will be auto rolled over on each anniversary unless the client informs otherwise)

The investment strategy is aimed at creating wealth over the medium to longer term through investments in securities and across market capitalization by focusing on fundamentals of the companies that would blend with value and growth investing.

**INVESTMENT OBJECTIVES AND GUIDELINES**

Investment Objective:

The primary objective of this service under this Agreement is to generate returns and capital appreciation over a period of time from a portfolio of securities.

The Portfolio Manager will recommend the investment pattern to be adopted by the Client. However, in a non-discretionary service, the final decision on the investment will be entirely that of the Client.

Investment Pattern:

Consistent with the objective of this service under this Agreement and subject to Regulations, the Portfolio Manager will recommend to the Client to make investments in any of the Securities as defined herein below. However, in a non-discretionary service, the final decision on the investment will be entirely that of the Client.

The Securities could be listed, unlisted, privately placed, secured, unsecured, rated or unrated and of any maturity. The Securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers, offer for sale or in any other lawful manner and invest in derivatives, including transactions for the purpose of hedging and portfolio rebalancing, through a recognised stock exchange.

We believe long term outperformance is due to consistently investing in growth oriented quality stocks at a reasonable price. Hence we follow our proprietary stock selection framework, which largely emphasizes on "Qualitative Growth and Sustainability".

Our stock selection process comprises three important stages. These are -

- a. Idea Generation- - Our approach combines value identification based on fundamental bottom-up analysis with a top down macro overlay.
- b. Idea Screening - Stock Idea must pass through our screeners which are broadly classified across "Forensic Accounting analysis framework" and "Qualitative advancement".
- c. Decision Making - this involves a thorough assessment of the past financial performance. We believe strong historical performance of companies reflect their ability to deliver in the future. Also, it provides insight into the past valuation enjoyed by the stock. We perform in-depth valuation analysis to arrive at the intrinsic value of the company that assists in our decision making process. In our quest for long term outperformance, we choose to avoid highly cyclical and commodity businesses, while chasing growth.

We endeavor to have around 20 stocks in our portfolio to strike a balance between diversification and sizeable allocation to best performing stocks. Subject to Regulations, the asset allocation pattern may change from time to time, keeping in view market conditions, opportunities and political and economic factors. It must be clearly understood that the investment patterns are only indicative and not absolute and that they can vary substantially depending upon the perception of the Portfolio Manager, the intention being at all times to seek to protect the interests of the Client. Such changes in the investment pattern will be for short term and defensive considerations.

The Portfolio Managers while recommending derivatives positions shall consider complete details pertaining to the manner and terms of usage of derivatives products, including quantum of exposure to derivatives, type of derivative instruments, purpose of using derivatives, types of derivative positions and the exposure thereof, terms of valuing and liquidating derivatives etc. In a non-discretionary service, the final decision on the investment will be entirely that of the Client.

The investment strategy is aimed at generating returns over the medium to longer term through investments in securities and across market capitalization. We would be benchmarking our performance versus that BSE200 Index, which we believe has a good representation of stocks across market capitalization.

**Market risk:** Market risk - also called systematic risk and is based on the day-to-day price fluctuation in the market. In the short term, market risks are higher compared to the long term. The second type of stock risk comes is from the business. This risk can be escalated level if the business is not doing well.