

## **PMS Policy Document**

### **Investment Objective:**

The investment objective of the Portfolio Manager under its PMS is to endeavor to generate superior risk-adjusted returns for the Client. While the core investment strategy is to invest Capital Contributions in listed equities, the Portfolio Manager may, from time to time, also invest in listed debt securities, fixed-income products/instruments, mutual fund units, exchange-traded fund/s, structured product/s, and any other permissible securities/instruments/products in which the Portfolio Manager can invest as per Applicable Laws including the SEBI Regulations.

**Vision:** The Principal Officer's vision for the PMS is to, over the long run, beat all major indices and over 90% of mutual and hedge fund managers to deliver superior risk-adjusted returns.

**Mission:** To ensure that the PMS provides a low-cost, scalable investment avenue for wealth creation by adopting high levels of skill, integrity, transparency, and accountability with a long-term investment horizon in mind.

### **Investment Approach:**

Concentrated Growth Portfolio: Actively managed portfolio of listed equities

Description of Securities - Client monies would primarily be invested in equity shares and equity-linked instruments issued by companies that are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.

Basis of Selection of Type of Security - The investment approach is based on generating returns by investing in participating instruments of companies that have a proven track record of steady growth in revenues alongside the ability to consistently deliver a return on capital employed more than the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity-linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid funds or they are retained in the bank account in the form of a bank balance.

Allocation of portfolio across types of securities

Type of security	Allocation in portfolio
Equity and equity-linked instruments	Typically, 80% or more (can vary based on opportunity)
Money market funds / Liquid funds / Bank balance	Typically, 20% or less

***Appropriate Benchmark to compare performance*** – BSE 500 TRI Index

***Strategy- Equity***

The basis for the choice of benchmark - Most of the portfolio companies fall in the small, mid, and large-cap categories based on market capitalization. Further, the portfolio managers reinvest the dividends received unless the client provides instructions for the pay-out of dividends. Hence, Sensex Index has been selected as the benchmark for comparing performance.

Minimum investment - The minimum value of Funds/investments which will be accepted towards the initial corpus will be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange-traded index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits, and other short-term avenues for investment.

**Details of services provided to investors and estimated timelines:**

1. Discretionary & Non-Discretionary Portfolio Management Services (PMS):

Under these services, all an investor has to do, is to give his portfolio in any form i.e. in stocks or cash or a combination of both. The minimum size of the portfolio under the Discretionary and/ or Non-Discretionary Funds Management Service should be Rs.50 lakhs as per the current SEBI Regulations. However, Dwaith will have the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion. We will ascertain the investor's investment objectives to achieve optimal returns based on his risk profile. Under the Discretionary Portfolio Management service, investment decisions are at the sole discretion of Dwaith if they are in sync with the investor's investment objectives. Under the Non-Discretionary Portfolio Management service, investment decisions are taken at the discretion of the Investor.

2. Investment Advisory Services:

Under these services, the Client is advised on buy/sell decisions within the overall profile without any back-office responsibility for trade execution, custody of securities, or accounting functions. We shall be solely acting as an Advisor to the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio. Dwaith shall act in a fiduciary capacity towards its Client and shall maintain an arm's length relationship with its other activities. We shall provide advisory services by following guidelines and/or directives issued by the regulatory authorities and/or the Client from time to time in this regard.

3. Client On-boarding

- Ensuring compliance with KYC and AML guidelines.

- Franking and signing the Power of Attorney to make investment decisions on behalf of the investor.
- Opening a demat account and funding of the same from the investor’s verified bank account and/or transfer of securities from the verified demat account of the investor and
- Mapping the said demat account with Custodian.

#### 4. Ongoing activities

To provide periodic statements to investors as provided under the PM Regulations 2020 and other SEBI notifications and circulars (“PM Regulations”) and Provide each client an audited account statement on an annual basis which includes all the details as required under the PM Regulations.

#### 5. Fees and Expenses

Charging and disclosure of appropriate fees and expenses following the PM Regulations.

#### 6. Closure and Termination

Upon termination of the PMS Agreement by either party, the securities and the funds lying in the account of the investor shall be transferred to the verified bank account/Demat account of the investor.

#### 7. Grievance Redressal

Addressing in a time-bound manner investor’s queries, service requests and grievances, if any, on an ongoing basis.

Timelines of the services provided to investors are as follows:

No.	Service / Activity	Timeline
1	Opening of PMS account (including demat account) for residents.	7 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by the portfolio manager and allied third-party service providers as may be applicable.
2	Opening of PMS account (including demat account) for non-individual clients.	14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by the portfolio manager and allied third-party service providers as may be applicable.
3	Opening of PMS account (including demat account, bank account, and trading account) for non-resident clients.	14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by the portfolio manager and allied third-party service providers as may be applicable.
4	Registration of nominee in PMS account and demat account.	Registration of nominees should happen along with account opening; therefore, turnaround time should be the same as the account opening turnaround time.
5	Modification of nominee in PMS account and demat	10 days from receipt of requisite nominee modification form, subject to review of the documents for accuracy and

	account.	completeness by the portfolio manager and allied third-party service providers as may be applicable.
6	Uploading of PMS account in KRA and CKYC database.	10 days from the date of account opening (Portfolio Manager may rely on the custodian for updating the same).
7	Whether the portfolio manager is registered with SEBI, then the SEBI registration number.	At the time of the client signing the agreement; this information should be a part of the account opening form and disclosure document.
8	Disclosure about the latest net worth of the portfolio manager and total AUM.	Disclosure of portfolio manager's total AUM – monthly to SEBI  Disclosure of the latest net worth should be done in the disclosure document whenever there are any material changes.
9	Intimation of type of PMS account – discretionary.	At the time of the client signing the agreement; this information should be a part of the account opening form.
10	Intimation of type of PMS account – non-discretionary.	At the time of the client signing the agreement; this information should be a part of the account opening form.
11	Intimation to the client what discretionary account entails and powers that can be exercised by the portfolio manager.	At the time of the client signing the agreement; this information should be a part of the account opening form.
12	Intimation to the client what a non-discretionary account entails and powers that can be exercised by the portfolio manager.	At the time of the client signing the agreement; this information should be a part of the account opening form.
13	Copy of executed PMS agreement sent to the client.	Within 3 days of the client's request.
14	Frequency of disclosures of available eligible funds.	All details regarding client portfolios should be shared quarterly (point 26).
15	Issuance of funds and securities balance statements held by the client.	This data should be shared every quarter or upon client request.
16	Intimation of name and demat account number of custodian for PMS account.	Within 3 days of PMS and demat account opening.
17	Conditions of termination of contract.	At the time of the client signing the agreement; this information should be a part of the account opening form.
18	Intimation regarding PMS fees and modes of payment or frequency of deduction.	At the time of the client signing the agreement; this information should be a part of the account opening form.
19	POA was taken copy providing to the client.	Within 3 days of the client's request.
20	Intimation to the client about what all transactions can portfolio manager do using PoA.	At the time of the client signing the agreement; this information should be a part of the account opening form.
21	Frequency of providing	Annual

	audited reports to clients	
22	Explanation of risks involved in investment.	At the time of the client signing the agreement; this information should be a part of the account opening form.
23	Intimation of tenure of portfolio investments.	Indicative tenure should be disclosed at the time of the client signing the agreement; this information should be a part of the account opening form.
24	Intimation providing restrictions imposed by the investor on the portfolio manager.	Negative list of securities should be taken from the client at the time of client signing the agreement; this information should be a part of the account opening form.
25	Intimation regarding settling of client funds and securities.	Settlement of funds and securities is done by the Custodian. The details of clients' funds and securities should be sent to the clients in the prescribed format not later than on a quarterly basis.
26	Frequency of intimation of transactions undertaken in portfolio account.	Not later than on a quarterly basis or upon clients' request.
27	Intimation regarding conflict of interest in any transaction.	The portfolio manager should provide details of related party transactions and conflict of interest in the Disclosure Document which should be available on website of portfolio manager at all times.
28	Timeline for providing disclosure document to investor.	The latest disclosure document should be provided to investors prior to account opening and the latest disclosure documents should be available on website of portfolio manager at all times.
29	Intimation to investor about details of bank accounts where client funds are kept.	Within 3 days of PMS and demat account opening
30	Redressal of investor grievances.	Within 30 days, subject to all the information required to redress the complaint is provided by the complainant to the portfolio manager

Notes: The number of days in the above timelines indicates clear working days

### **Target Clientele:**

It seeks to provide discretionary portfolio management services, non-discretionary portfolio management services, and advisory services to High-Net-worth Individuals (HNIs), institutional clients, corporates, and other permissible classes of investors.

### **Privacy Policy & Client Confidentiality:**

Client confidentiality is of paramount importance to Dwaith. All the client information that we collect is solely to understand client needs and for legal compliance. We do not share the client's identity or client's personal information with any third parties for any commercial reasons.

We may, if required by applicable law or regulations, disclose the identity of the client to the issuer of Securities held as part of the Assets or to the agents of such issuer upon request of such issuer, or to any Government or Regulatory body, without further consent from the client.

## **Roles and Responsibility Matrix:**

Promoters and Designated Partners of the Portfolio Manager

**Mr. Harsha Venkatesh, Principal Officer** is responsible for:

- the decisions made by the Portfolio Manager for the management or administration of the Portfolio of Securities or the funds of the Client, as the case may be; and
- all other operations of the Portfolio Manager

As a dedicated value investor, he places a strong emphasis on risk management and is a steadfast practitioner of diversified asset allocation strategies, showcasing proven success over the past two decades. Mr. Venkatesh is passionate about research-backed investing, emphasizing the identification of sustainable businesses at reasonable valuations.

With a leadership style that combines experience, knowledge, and independent thinking, he is a valuable asset to the Dwaith family. In his role as the Principal Officer within the investment division of Dwaith Advisory Private Limited, he shoulders responsibilities for delivering risk-adjusted returns to the investors.

Mr. Harsha's wealth of experience is a cornerstone for the investment team of the Portfolio Manager. The team aims to leverage his guidance, ethos, and leadership to generate superior risk-adjusted returns for clients.

**Ms. Kruthi Harsha, Research Analyst** is responsible for:

- the suggestions of equities for investments, analysis of the company earnings, collection of industry data for use by the Principal Officer

Ms. Kruthi, with a Bachelor of Engineering degree, serves as the Research Analyst in the investment division of Dwaith Advisory Private Limited. She had exposure to working in multiple geographies i.e. Germany, USA, and India over the past two decades, thereby adding credible experience. Leveraging her extensive research experience, she has successfully identified long-term wealth creators. The team endeavors to harness her guidance, ethos, and leadership to deliver superior risk-adjusted returns for clients.

**Mr. Venkatesha Murthy, Compliance Officer** is responsible for all Compliance, and investor grievance redressal.

Mr. Venkatesha Murthy is a graduate having more than 30 years of experience in accounting and auditing. For the last five years, he has effectively shouldered the responsibility of Compliance Officer for Dwaith Advisory Private Limited.

The team endeavours to harness his extensive experience in audit, accounts, and compliance to ensure the compliance of all the applicable regulatory provisions concerning PMS activities of Dwaith Advisory Private Limited.

### **Details of grievance redressal mechanism and how to access it**

1. It is mandatory for every PMS provider to register itself on SEBI SCORES (SEBI Complaint Redress System). SCORES is a centralized online complaint resolution system through which the complainant can take up his grievance against the PMS provider and subsequently view its status. (<https://scores.gov.in/scores/Welcome.html>)
2. The details such as the name, address, and telephone number of the investor relations officer of the PMS provider who attends to the investor queries and complaints should be provided in the PMS Disclosure document.
3. The grievance redressal and dispute mechanism should be mentioned in the Disclosure Document.
4. Investors can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them.
5. Investors may send their complaints to: the Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

### **Expectations from the investors (Responsibilities of investors)**

1. Check the registration status of the intermediary from the SEBI website before availing services.
2. Submission of KYC documents and application forms promptly with signatures in appropriate places and with requisite supporting documents.
3. Read carefully the terms and conditions of the agreement before signing the same.
4. Thorough study of the Disclosure Documents of the PMS to accurately understand the risks entailed by the said investment in PMS.
5. Accurate and sincere answers given to the questions asked in the 'Risk Questionnaire' shall help the PMS provider properly assess the risk profile of the investor.
6. Thorough study of the quarterly statements sent by the PMS provider to the investor intimating to him about the portfolio's absolute and relative performance, its constituents, and its risk profile.
7. Ensure providing complete details of the negative list of securities as part of freeze instructions at the time of entering into the PMS agreement and every time thereafter for changes, if any, promptly.
8. To update the PMS provider in case of any change in the KYC documents and personal details and to provide the updated KYC along with the required proof.