**Key Information and Disclosure Document for Portfolio Management Services provided by**

**GOOD FORTUNE CAPITALS PORTFOLIO MANAGEMENT SERVICES**

- **This Disclosure Document (the Document) has been filed with the Board along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.**
- **The purpose of the Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making an informed decision for engaging a Portfolio Manager.**
- **TheDocumentcontainsthenecessaryinformationaboutthePortfolioManager required by an invest or before investing and the invest or is advised to carefully read this entire document before making any investment decision and to retain it for future reference.**
- **Investors are encouraged to seek clarifications on this document from the Portfolio Manager.**
- **The Principal Officer designated by the Portfolio Manager is:**


**Name** **:** Ananthanarayan J

**Registered Address:** 104, Mahinder Chambers, W T Patil Marg, Chembur, Mumbai 400071.

**Tel** : : 022 25204053/4056

**Email:** ananthjayaram@goodfortunecapitals.com

## 1 DISCLAIMER :-

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 and Securities Exchange Board of India (Investment Advisers) Regulations, 2013. This Disclosure Document has been filed with SEBI. This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document. This document is not for public distribution and has been furnished to you solely for your information and may not be reproduced or redistributed to any other person. While the Company shall endeavor to update on a reasonable basis the information disclosed in this document, the Company does not undertake to update such information to reflect the impact of circumstances or events, including regulatory or compliance changes that arise after the date of these disclosures. No part of this Disclosure Document may be duplicated in any form and/or redistributed without the prior written consent of Good Fortune Capitals PMS.

## 2 DEFINITIONS:-

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

**a)** **“Act”** means the Securities and Exchange Board of India Act,1992.

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

**c)** **“Agreement”** means any agreement including Discretionary Portfolio Investment Management Agreement and Advisory Agreement executed between the Portfolio Manager and its Clients in terms of Regulation 22 of SEBI (Portfolio Managers)Regulations, 2020 issued by the Securities and Exchange Board of India
& includes any amendment thereto.

**d)** **“Board”** means the Securities and Exchange Board of India.

**e)** **“Client” or “Investor”** means any person/entity that enters into an agreement or arrangement for availing portfolio management services with the portfolio manager by executing the agreement.

**f)** **“Custodian(s)”**means Custodian(s)/Depository Participant(s)as may be appointed bythePortfolioManager,fromtimetotime,forCustodyofSecuritiesoftheClient and to perform such other functions like keeping track of corporate benefits associated with the securities etc.

**g)** **“Depository”** means Depository as defined in the Depositories Act, 1996 (22 of 1996).

h) **“Disclosure Document”** means this disclosure document issued by Good Fortune Capitals Pvt. Limited for offering portfolio management services, prepared in terms of Schedule V of the SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time.

i) **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Discretionary Portfolio Investment Management agreement, where under the Portfolio Manager exercises any degree of discretion in investments or management of the Assets of the Client.

j) **Good Fortune Capitals PMS or “Portfolio Manager” or “Company”** means a company incorporated under the Companies Act, 1956, on 25th April 2008.

k) **Foreign Portfolio Investor**: Foreign Portfolio Investor means a person registered by SEBI as a Foreign Portfolio Investor (FPI) under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

l) **“Financial Year”** means the year starting from April 1 to March 31 the following year.

m) **“Funds”** means the money placed by the Client with the Portfolio Manager and any accretions thereto.

n) **“Investment Amount”** shall mean the funds deployed/securities introduced by the Client for investment by the Portfolio Manager in accordance with the provisions of the Agreement.

o) **“Investment Strategy(ies)”** means any of the current investment strategies or such strategies that may be introduced at any time in the future by the Portfolio Manager.

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

q) **“Parties”** means the Portfolio Manager and the Client; and “Party” shall be construed accordingly.

r) **“Person”** includes any individual, partners in partnership, central or state government, company, body corporate, cooperative society, partnership firm, Limited Liability Partnership, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.

s) **“Portfolio”** means the total holdings of securities belonging to any Person.

**t)** “**Portfolio Management Services**” means the Discretionary Portfolio Management Services or Advisory Services, as the context maybe.

u) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time and shall also mean to refer to Regulation 18 of Chapter III of SEBI (Investment Advisers) Regulations, 2013 where applicable.

v) **"SEBI"** means the Securities and Exchange Board of India established under sub- section (1) of Section3 of the Securities and Exchange Board of IndiaAct,1992,as amended from time to time.

w) **"Securities"** includes:-

i. "Securities" as defined under the Securities Contracts (Regulation) Act,1956;

ii. shares, scrips, stocks, bonds, warrants, convertible and non-convertible debentures/debenture stocks and other marketable securities of alike nature, fixed return investments, equity linked instruments including derivatives, negotiable instruments, term deposits, money market instruments including commercial paper, certificates of deposit etc., units issued by Mutual Funds, Collective Investment Schemes, Alternative Investment Funds, Mortgage backed or other asset backed securities, derivatives, Security Receipt and any other securities issued by any company/entity/body corporate, Central Government, State Government or any local or statutory authority including Structured Products;

iii. gold related securities; and

iv. Any other instruments or investments as may be permitted by applicable law from time to time.

**INTERPRETATION**

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

## 3 DESCRIPTION

### 3.1 HISTORY, PRESENT BUSINESS & BACKGROUND OF THE PORTFOLIOMANAGER:

Good Fortune Capitals Private Ltd is a broking company incorporated on 25th of April 2008 under the Companies Act 1956. The company though registered in Coimbatore, Tamil Nadu, has its principal place of business and operations in Mumbai. With nearly 11 years of experience in the stock broking business, Good Fortune Capitals have provided its services to both retail and institutional clients. We have provided our services and maintained good relations with major Public Sector Units and Private Sector banks over the years.

With our wide contacts in the top management and with personnel having almost 25 years of experience with specialized knowledge in portfolio management services, we shall provide services in the best interest of our clients.

Good Fortune Capitals Pvt. Ltd . has received approval from SEBI for rendering PMS service on April 8, 2021 vide registration number INP200007195.

## 3.2 PROMOTERS OF THE PORTFOLIO MANAGER, DIRECTORS AND THEIR BACKGROUND:

- **PROMOTOR**

| Name | Qualification | % of Shareholding | Experience |
|---|---|---|---|
| KannanKrishnan Naiker | Graduate | 40% | -Around 12 years experience in Stock Broking<br>- Around 32 years experience in Hospitality Industry<br>- Around 7 years experience in Insurance and Reinsurance Broking<br>- Around 10 years experience in IT Services industry |
| MuruganKrishnan Naiker | Graduate | 40% | -Around 12 years experience in Stock Broking<br>- Around 32 years experience in Hospitality Industry<br>- Around 7 years experience in Insurance and Reinsurance Broking<br>- Around 10 years experience in IT Services industry |
| Rajesh Bhawarlal Jain | B.Com Graduate | 20% | - Around 12 years experience in Stock Broking<br>- Around 26 years experience in Construction industry<br>- Around 13 years experience in Manufacturing of Grain mill and starch products<br>- Around 13 years experience in Manufacturing of non-metallic mineral products<br>- Around 9 years experience in Travel Agency<br>- Around 5 years experience in Food Processing and Preservation Industry |

- **Directors and their background**

| Name | Qualification | Designation | Date of appointment | Experience |
|---|---|---|---|---|
| Kannan Krishnan Naiker | Graduate | Managing Director | 25-Apr-08 | - Around 12 years experience in Stock Broking<br>- Around 32 years experience in Hospitality Industry<br>- Around 7 years experience in Insurance and Reinsurance Broking<br>- Around 10 years experience in IT Services industry |
| Murugan Krishnan Naiker | Graduate | Director | 25-Apr-08 | - Around 12 years experience in Stock Broking<br>- Around 32 years experience in Hospitality Industry<br>- Around 7 years experience in Insurance and Reinsurance Broking<br>- Around 10 years experience in IT Services industry |
| Rajesh Bhawarlal Jain | B.Com Graduate | Director | 26-May-08 | - Around 12 years experience in Stock Broking<br>- Around 26 years experience in Construction industry<br>- Around 13years experience in Manufacturing of Grain mill and starch products<br>- Around 13years experience in Manufacturing of non-metallic mineral products<br>- Around 9years experience in Travel Agency<br>- Around 5 years experience in Food Processing and Preservation Industry |
| Khajakhan Abdul Rahim | B.Com Graduate | Director | 1-Feb-13 | - Around 28 years experience in Stock Broking |

### 3.3 TOP GROUP COMPANIES/ FIRMS OF PORTFOLIO MANAGER ON TURNOVER BASIS ( LATEST AUDITED FINANCIAL STATEMENTS)

**A. EMERGE INSURANCE BROKER AND CONSULTANCYSERVICES PRIVATE LIMITED**

**B. ID INFO BUSINESS SERVICES LIMITED**

### 3.4 DETAILS OF SERVICES BEING OFFERED:

The Portfolio Manager offers Discretionary PMS services. For more details, please refer Section 5 below.

## 4 PENALTIES, PENDING LITIGATIONS OR PROCEEDINGS ETC.:

**a.** All cases of penalties imposed by the SEBI or the directions issued by the SEBI under the Act or Rules or Regulations made there under against the Portfolio Manager : **None**

**b.** The nature of penalty / direction against the Portfolio Manager :**None**

**c.** Penalties imposed for any economic offence and/or for violation of any securities laws against the Portfolio Manager :**None**

**d.** Any pending material litigation/ legal proceedings against the Portfolio Manager/key personnel with separate disclosure regarding pending criminal cases, if any : **None**

**e.** Any deficiency in the systems and operations of the Portfolio Manager observed by SEBI or any regulatory agency :**None**

**f.** Any enquiry/adjudication proceedings initiated by SEBI against the portfolio manager Or its directors, principal officer or employee or any person directly or indirectly connected with the portfolio manager or its directors, principal officer or employee, under the Act or Rules or Regulations made there under: **None**.

## 5 TYPES OF SERVICES OFFERED:

### (i) Discretionary Portfolio Management (DPM) Services:

The Portfolio Manager shall be acting in a fiduciary capacity with regard to Clients' Portfolio and shall have sole and absolute discretion to invest Clients' Funds in any typeofSecuritiesandinanymarketashedeemsfitforthebenefitoftheClientasper the Discretionary Portfolio Investment Management Agreement. The Securities invested / disinvested by the Portfolio Manager may differ from Client to Client. The Securities traded or held by the Portfolio Manager for different Client's Portfolios, even if invested in the same Investment Strategy, may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Portfolio is absolute and final and cannot be called in question or be open to review at any time during the currency of the Agreement or any time thereafter except on the grounds of malafide, fraud, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

Portfolio Manager shall invest funds of the client only in the securities listed or traded on a recognized stock exchange, money market instruments, units of Mutual Funds and other securities as specified by Board from time to time ,on behalf of their clients.

Money Market Instruments includes commercial paper, treasury bills, certificate of deposit and usance bills.

Portfolio Manager may invest in units of Mutual Funds (only through Direct Plan) and no distribution fees will be charged to the client.

However, Portfolio Manager shall invest the clients' funds neither in the portfolio managed or administered by another portfolio manager nor based on the advice of any other entity.

### (ii) Advisory Services:

The Portfolio Manager will provide Advisory Services, in terms of Regulations, which shall be in the nature of non-binding investment advisory and shall include the responsibility of advising on the Portfolio strategy, investment and divestment of individual Securities on the Clients Portfolio, for an agreed fee structure and for a period agreed in the Agreement, entirely at the Client's risk, to all eligible categories of investors who can invest in Indian market.

The Portfolio Manager shall, provide advisory services in accordance with such guidelines and / or directives issued by the regulatory authorities and and/or the client, from time to time, in this regard.

Portfolio Manager may provide advice for investment up to 25% of the assets under management of the client in unlisted securities, in addition to the securities Permitted for discretionary portfolio management.

**Minimum Investment Amount:**

The Client shall deposit with the Portfolio Manager, an initial corpus consisting of Securities and/or funds of an amount prescribed by Portfolio Manager for a Portfolio, subject to minimum amount as specified under Regulations, as amended from time to time.

**Tenure of Portfolio Investments**

The Portfolio Investments may be short term, medium term or long term in nature depending on the investment objectives and prevailing market conditions.

**Onboarding of clients**

The Portfolio manager offers the option of direct on boarding to clients under Discretionary Services.

**Investment approach**

GFC PMS currently offers only 1 product- GFC Growth Fund where we invest in companies that have strong growth potential and have reasonable valuation. ( Quality at fair price). We consider the following aspects while constructing a portfolio- Growth, Quality, Valuation and Risk . We have accordingly limited our universe of stocks to the Top 500 companies of the market . We may look at specific oppurtunities outside the Top 500 but that all those put together will be less than 10% of the total portfolio.

**Investment Objective .**

The objective is to provide the client with a structure that can achieve the twin objectives of Preservation of capital and Growth of Capital . The Portfolio Manager shall endeavor to apply its professional experience in order to help the client achieve its goals. 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 there being no capital loss. The Portfolio invests or proposes to invest in listed Indian Equity / Equity related securities with aim to generate medium and long term capital appreciation. It can also invest in money market instruments , Commodity ETFs ( Gold and Silver ETF) and units of mutual fund.

**Types of Securities**

GFC PMS may invest in any security as described under Securities Contract ( Regulation) Act, 1956, to meet the investment objectives

- Equity and equity related securities, convertible stock and preference shares of Indian companies
- Debenture( Convertible and non convertible)
- Liquid funds
- Commodity ETF ( Gold and silver)

**Basis of Selection of Securities**

Selection of securities will be done to meet the client's investment objectives on best effort basis depending on market conditions.

**Allocation of Portfolio across types of Securities**

| | |
|---|---|
| Equity and Equity related securities | Upto 100% |
| Debentures/ Bonds/ Liquid funds | Upto 35% |
| Commodity ETF | Upto 25% |

**Benchmark**

**GFC PMS benchmarks itself to Nifty 500** for its Growth Strategy. The Portfolio manager reserves the right to change the benchmark in future if other benchmark is better suited to the investment objective of the Investment approach.

**Clients Investment Horizon**

We expect the client to have an investment horizon of at least 3 yrs plus in the strategy. However the Portfolio Manager retains the right to deviate from these normal norms from time to time at its sole discretion.

## 6 RISK FACTORS

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

(i) Investment in equities, derivatives and mutual funds are subject to market risks and there is no assurance or guarantee that the objective of the Investment Strategy will be achieved.

(ii) Past performance of the Portfolio Manager does not indicate the future performance.

(iii) Investors may note that Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends.

(iv) The Portfolio Manager is neither responsible nor liable for any losses resulting from Portfolio Management Services.

(v) The liquidity of the Portfolio Manager's investments is inherently restricted by trading volumes in the securities in which it invests.

(vi) The Net Asset Value of the Portfolio may be affected by changes in settlement periods and transfer procedures.

(vii) As with any investment in securities, the NAV of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.

(viii) The performance of the Investment Strategies 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.

(ix) The names of the Investment Strategies do not in any manner indicate their prospects or returns. The performance of equity related investment strategies may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro economic factors.

(x) Investments in debt instruments are subject to default risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuation.

(xi) Interest Rate Risk: As with all debt securities, changes in interest rates may affect valuation of the Portfolios, as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.

(xii) Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.

(xiii) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default. The greater the credit risk, the greater the yield required for someone to be compensated for the increased risk.

(xiv) 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 re-investment 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.

(xv) Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the returns accordingly.

(xvi) Prepayment Risk: There may be unscheduled return of principal on a particular security, which may result in reinvestment risk.

(xvii) Non-Diversification Risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments. The Portfolio Manager will attempt to maintain a diversified Portfolio.

(xviii) Currency Risk: The Portfolio Manager may also invest in overseas Fixed Income or other Securities/ instruments as permitted by the concerned regulatory authorities in India. To the extent that the portfolio of the Investment Strategy will be invested in securities/ instruments denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes/fluctuation in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

(xix) The Investment Strategy may invest in non-publicly offered debt securities and unlisted equities. This may expose the Investment Strategy to liquidity risks. Such investments shall be subject to the scope of investments as laid down in the Agreement.

(xx) Investment in schemes of mutual funds is subject to risk factors defined in the offer document of the respective schemes.

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

(xxii) Risk factors associated with derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. The Portfolio manager may use derivatives instruments like equity futures & options, or other derivative instruments as permitted under the Regulations and guidelines. Execution of strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. Usage of derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. In case of the derivative strategies, it may not be possible to square off the cash position against the corresponding derivative position at the exact closing price available in the Value Weighted Average Period. The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. Investment Strategies using derivatives/futures and options products are affected by risks different from those associated with stocks and bonds. Such products are highly leveraged instruments and their use requires a high degree of skill, diligence and expertise. Small price movements in the underlying security may have a large impact on the value of derivatives, futures and options. Some of the risks relate to mis-pricing or the improper valuation of derivatives and the inability to co-relate the positions with underlying assets, rates and indices. Also, the derivatives market is nascent in India.

Trading in Derivatives has the following risks:

- An exposure to derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction.
- Derivatives carry the risk of adverse changes in the market price.
- Illiquidity Risk i.e. risk that a derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market

(xxiii) Risks pertaining to the index linked securities:

a) Performance of the Reference Index will have a direct bearing on the performance of the strategy.
b) In the event the Reference Index is dissolved or withdrawn by the Index
c) Provider, such as, India Index Services Ltd. (IISL) (for NSE- Nifty), BSE for S&P BSE Sensex etc., in case of securities such as Debenture, the Debenture Trustees upon request by the issuer may modify the terms of issue of debentures, so as to track a different and suitable index and appropriate intimation will be sent to the debenture holders.

d) Tracking errors are inherent in any equity index linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more securities covered and/or included in the Reference Index. Such variations, referred to as tracking error, are expected to be around 2% per annum, but may vary substantially due to several factors.

e) Any delay experienced in the purchase or sale of securities due to liquidity of the market, settlement and realization of sales proceeds and the registration of any security transfer and any delays in receiving cash and scrip dividends and resulting delays in reinvesting them.

f) The Reference Index reflects the prices of securities at close of business hours.

g) The Index Provider undertakes a periodic review of the scripts that comprise the Reference Index and may either drop or include new securities.

(xxiv) Risks pertaining to investment in Gold Exchange Traded Funds (Gold ETFs): The risk associated with the Gold Exchange traded Funds will be as provided in the risk disclosure document of various schemes. Some of the specific risk factors pertaining to investments in Gold ETFs as part of the strategy include, but are not limited to the following:

Market Risk: The value of the Units of the Gold ETF relates directly to the value of the gold held by the relevant Gold ETF and fluctuations in the price of gold could adversely affect investment value of the Units of the Gold ETF. The factors that may affect the price of gold, inter-alia, include economic and political developments, changes in interest rates and perceived trends in bullion prices, exchange rates, inflation trends, market movements, etc.

Currency Risk: The formula for determining NAV of the Units of the relevant Gold ETF is based on the imported (landed) value of gold. The landed value of gold is computed by multiplying international market price by US dollar value. The value of gold or NAV of the relevant Gold ETF, therefore will depend upon the conversion value of US dollar into Indian rupee and attracts all the risks attached to such conversion.

Counterparty Risk: There is no Exchange for physical gold in India. The relevant Gold ETF Scheme ("Scheme") may have to buy or sell gold from the open market, which may lead to counter party risks for the Scheme for trading and settlement.

Asset Class Risk: The returns from physical Gold in which the relevant Gold ETF Scheme invests may underperform returns from the securities or other asset classes.

Physical gold held by Gold ETFs: There is a risk that part or all of the Scheme's gold could be lost, damaged or stolen. Access to the Scheme's gold could also be restricted by natural events or human actions. Any of these actions may have adverse impact on the operations of the Scheme and consequently on investment in Units.

Liquidity Risk: A Gold ETF has to sell gold only to bullion bankers/traders who are authorized to buy gold. Though, there are adequate number of players (commercial or bullion bankers) to whom the Scheme can sell gold, the Scheme may have to resort to distress sale of gold if there is no or low demand for gold to meet its cash needs of redemption or expenses.

Regulatory Risk: Any changes in trading regulations by the stock exchange(s) or SEBI may affect the ability of Authorised Participant to arbitrage resulting into wider premium/ discount to NAV of the relevant Gold ETF. Any changes in the regulations relating to import and export of gold or gold jewellery (including customs duty, sales tax and any such other statutory levies) may affect the ability of the Scheme to buy/sell gold against the purchase and redemption requests received.

Passive Investments: An ETF Scheme may not be actively managed. The performance of the Scheme may be affected by a general price decline in the Gold prices. The Scheme invests in the physical Gold regardless of their investment merit. The relevant scheme may not attempt to take defensive positions in declining markets.

Indirect taxation: For the valuation of gold by the Scheme, indirect taxes like customs duty, VAT, etc. would also be considered. Hence, any change in the rates of indirect taxation would affect the valuation of the Scheme.

Operational Risks: Gold ETFs are relatively new products and their value could decrease if unanticipated operational or trading problems arise. Any Gold ETF is therefore subject to operational risks. In addition, investors should be aware that there is no assurance that gold will maintain its long-term value in terms of purchasing power.

Redemption Risk: The Scheme would ordinarily repurchase Units in Creation Unit Size. Unit holding less than Creation Unit Size can only be sold through the secondary market on the Exchange. Further, the price received upon the redemption of Units of the Scheme may be less than the value of the gold represented by them.

The units of Gold ETFs are issued only in demat form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual funds depends up on the confirmations to be received from depository (ies) on which the mutual fund has no control. Accordingly, the Portfolio Manager shall not have any control on the above said transactions either.

(xxv) In case of investments in Mutual Fund units, the Client shall bear the recurring expenses of the Portfolio Management Services in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying mutual fund schemes in the same proportions.

(xxvi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment in a particular Investment Strategy. In such situation the Clients may suffer opportunity loss.

(xxvii) Clients will not be permitted to withdraw the funds/Portfolio (unless in accordance with the terms agreed with the Client). In addition, they are not allowed to transfer any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Agreement and in the Regulations.

(xxviii) Changes in Applicable Law may impact the performance of the Portfolio.

(xxix) <u>Risks pertaining to investments in Debt Strategy and/or Structured Products:</u>

Potential investors should consider carefully all the risk factors before authorizing the Portfolio Manager to make investment decision on their behalf. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer's Debentures could decline.

Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

1. **Payment of Interest:**
   Investors should note that no periodic interest payments or other distributions may be made during the term of the Debentures.

2. **Early Termination for Extraordinary Reasons, Illegality and Force Majeure**
   If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Debentures for any reason, the Issuer may at its discretion and without obligation terminate early the Debentures. If the Issuer terminates early the Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Calculation Agent.

3. **Interest Rate Risk:**
   Interest rates are highly sensitive to many factors, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors beyond the control of Issuer. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. There can be no assurance that significant interest rate movements will not have an effect on the results of its operations.

4. **Changes in the composition of the Underlying:**
   The value of the Underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the Underlying and factors (including those described herein) which either affect or may affect the value of the constituents will affect the value of the Underlying and therefore may affect the return on an investment in the Debentures.

5. **Creditworthiness of the Issuer**
The value of the Debentures is expected to be affected, in part, by Investors' general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the value of the Debentures. If a bankruptcy proceeding is commenced in respect to the Issuer, the return to a Debenture Holder may be limited and any recovery will likely be substantially delayed.

6. **Credit Risk**
Any lending and investment activity by the Issuer is exposed to credit risk arising from repayment default by borrowers and other counterparties. The Portfolio Manager has a systematic credit evaluation process to monitor the performance of its asset portfolio on a regular and continual basis to detect any material development, and constantly evaluate the changes and developments in sectors in which it has substantial exposure and to take timely appropriate remedial actions. The Portfolio Manager also undertakes periodic reviews of its entire asset portfolio with a view to determine the portfolio valuation, identify potential areas of action and devise appropriate strategies thereon. Despite these efforts, there can be no assurance that repayment default will not occur and, in such circumstances, may have an effect on its results of operations.

7. **Conditions in the Indian Equity market may affect the coupon on the Debentures.**
The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies.
The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected, thereby affecting the indices.

The following disclosure of risks associated to the Debentures is subject to and pursuant to the terms of issuance of the Debentures as provided in this Disclosure Document. The initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures, shall be deemed to have agreed, and accordingly the Issuer shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture holder, as also referred to hereinabove and hereinafter):

(A) has:

(1) sufficient knowledge, experience and expertise as an investor, to make the investment in the Debentures;

(2) not relied on either of the Issuer, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Disclosure Document;

(3) understood that information contained in the Disclosure Document, or any other document issued by the Issuer is not being construed as business or investment advice; and

(4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;

(B) Is aware that the Debentures in this Issue may or may not be listed on any stock exchange of India

(C) has understood that without prejudice to (A), and (B) above

(1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Portfolio Manager, whose decision shall be final and binding;

(2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Issuer and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Issuer;

(D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Issuer, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;

(E) has reviewed the terms and conditions applicable to the Debentures as contained in the Disclosure Document, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.

(F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;

(G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;

(H) as an investor, is knowledgeable and experienced in making investments, including in debt instruments having variable or unpredictable returns and investments similar to the Debentures;

(I) by investing in the Debentures:

(i) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;

(ii) has not, and does not claim to have, received, and has not relied on any advice or statements made or rendered by the Issuer, or any of its affiliates, holding company, or any person acting on its behalf, with respect to the Debentures, including as to the nature of returns, the probability of any returns or any erosion in the value of the Debentures over their life, or on maturity, redemption, sale or disposal, and none of such entities or persons have made any representations to the Debenture holder, express or implied, with respect to any of the above;

(iii) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Issuer (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage and confirms that the Debenture holder is aware that, as returns on the Debentures are primarily linked to the Nifty 50 and even otherwise, the Debenture holder may receive negligible returns or not receive any returns at all over the life and/or part thereof, of the Debentures or upon maturity;

(J) has understood that, at any time during the life of the Debentures, the value of the Debentures may be substantially less than its redemption value;

(K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:

(1) the subsequent investors receive the terms and conditions, risks and representations contained in the Disclosure Document and any other related document and fully understand the Debentures,
(2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,
(3) the sale and transfer of the Debentures shall be effected only in the manner stipulated

(L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;

(M) where the Debenture holder is a partnership firm:
(i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
(ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
(iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
(iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
(v) for any Hindu Undivided Family ("HUF") that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and

(N) where the Debenture holder is a company, also confirms that:

(i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 1956, from investing in the Debentures;

(ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and

(iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder's assets.

## 7 CLIENT REPRESENTATION

**CATEGORIES OF CLIENTS SERVICED FOR LAST 3 YEARS: (Rs. In Cr)**

We have received the PMS registration only in Apr 2021.

**8 Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India on the basis of the audited financial statement as at March 31, 2022**

**Related Party Disclosure**

(i) Related parties (Duringtheyear): ( In Thousands)

| Key Management personnel and their relatives | | 2021-22 |
|---|---|---|
| K Khaja Khan | Remuneration | 740 |
| Kannan Krishnan Naiker | Loans and advances | 265.5 |
| Swarnam Naiker | Deposit/others | 4717.44 |
| Murugan Krishnan Naiker | Loans & advances | 1000.00 |
| Hotel Southson Pvt. Ltd. | Refundable deposit | 66999.43 |
| Hotel Southsons Pvt. Ltd | Loans and Advances | 2500 |

**9 LIST OF STOCKBROKERS WHOSE SERVICES UTILIZED FOR PMS ACTIVITIES**

Apart from our own broking firm, we availed the services of the following brokers-

1. Wallfort Financial Services

**10 FINANCIAL PERFORMANCE OF THE PORTFOLIO MANAGER:**

**Summarized Financial Statements – Balance Sheet**

| | | | |
|---|---|---|---|
| **GOODFORTUNECAPITALSPRIVATELIMITED** | | | |
| **Audited BalanceSheet as at 31stMarch, 2022 ( Amt in Rs 000)** | | | |
| | **Particulars** | **As at 31st March, 2022** | **As at 31st March, 2021** |
| | | **Rupees(000)** | **Rupees(000)** |
| **I.** | **EQUITY ANDLIABILITIES** | | |
| **1** | **Shareholders'funds** | | |
| | (a) Share capital | 80,000 | 100,000 |
| | (b) Reserves and surplus | 14,893.99 | 14,820.70 |
| **2** | **Share application money pending allotment** | - | - |
| **3** | **Non-current liabilities** | | |
| | (a) Long-term borrowings | | |
| | (b) Deferred tax liabilities (Net) | 190.51 | 171.8 |
| **4** | **Current liabilities** | | |
| | (a) Other current liabilities | 3903.23 | 912.14 |
| | (b) Short-term provisions | 62.86 | 107.01 |
| | **TOTAL** | 99050.59 | 116,011.65 |
| **II.** | **ASSETS** | | |
| | **Non-current assets** | | |
| 1 | (a) Fixed assets | - | |
| | (i)Tangible assets | 242.92 | 277.18 |
| | (ii)Capital work under progress | 66999.43 | 66999.43 |
| | (b) Non-current investments | 18820.00 | 21300.00 |
| | (c) Long-term loans and advances | 1265.5 | 1924.00 |
| 2 | **Current assets** | 9236.38 | 24411.04 |
| | Deferred revenue expenditure | 2243.18 | 1100.00 |
| | | 99050.59 | 116,011.65 |

**Summarized Financial Statements –Profit and Loss Account**

| | | | |
|---|---|---|---|
| **GOOD FORTUNE CAPITALS PRIVATE LIMITED** | | | |
| **Statement of Profit and Loss for the year ended 31stMarch, 2022( in Rs.000)** | | | |
| **Particulars** | | **As at 31st March, 2022** | **As at 31st March, 2021** |
| I. | Revenue from operations | 86558.66 | 2033.75 |
| II. | Other income | 233.82 | 1268.78 |
| **III.** | **Total Revenue(I +II)** | 86792.48 | 3302.53 |
| **IV.** | Expenses: | | |
| | Cost of goods sold | 84483.82 | --- |
| | Employee benefits expenses | 1118.2 | 1685.73 |
| | Depreciation & amotisation | 34.26 | 52.19 |
| | Other expenses | 1021.69 | 1245.45 |
| | Total expenses | 86657.97 | 2983.37 |
| | **Profit before exceptional and extraordinary items and tax (III-IV)** | 134.51 | 319.16 |
| **V.** | **Profit beforeextraordinaryitems and tax** | 134.51 | 319.16 |
| **VI.** | **Profit before tax** | 134.51 | 319.16 |
| **VII.** | Tax expense: | 61.22 | 85.49 |
| **VIII** | **Profit(Loss)for the period** | 73.29 | 233.68 |
| **IX** | **PROFIT CARRIEDTOTHEBALANCE SHEET** | | |
| **X** | Earnings per equity share: | | |
| | (1)Basic | 0.01 | 0.02 |
| | (2) Diluted | 0.01 | 0.02 |

**PERFORMANCE OF THE PORTFOLIOMANAGER:**

Disclosure of Performance of the Portfolio Manager for the last 3 years (Regulation 22(4)(e) of SEBI (Portfolio Managers) Regulations, 2020)

| **Particulars** | **FY22** | | | |
|---|---|---|---|---|
| **Fund** | **Growth** | | | |
| **Portfolio performance** | **-2.82%** | | | |
| **Nifty 500** | **-2.75%** | | | |
| **No of investors** | **2** | | | |
| **AUM** | **2 cr** | | | |

**11 NATURE OF COSTS ANDEXPENSES:**

The following are indicative types of costs and expenses incurred by the Portfolio Manager for and on behalf of clients availing the Portfolio Management Services, and would be recovered by the Portfolio Manager from respective clients.

a. **Investment management and advisory fees/Portfolio Management Fees**: The fee may be a fixed charge or a percentage of the quantum of funds managed or maybe linked to the portfolio returns achieved or a combination of any of these. Profit/performance shall be computed on the basis of high watermark principle over the life of the investment for charging of performance/profit sharing fees.

   **High Water Mark Principle:** High Water Mark shall be the highest value that the portfolio/account has reached. Value of the portfolio for computation of high watermark shall be taken to be the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall not be less than quarterly.

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

b. **Custodian/Depository fee**: The charges relating to opening and operation of dematerialized stock accounts, custody and transfer charges for shares, bonds, and units, dematerialization, rematerialization and other charges in connection with the operation and management of clients' depository accounts.

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

d. **Brokerage and transaction costs**: The investments under the Portfolio Management would be usually done through registered members of stock exchange who charge brokerage up to a maximum of 1% of contract value. In addition to the brokerage, transaction cost, stamp duty, transaction costs, turnover tax, Securities Transaction Tax or any other tax levied by statutory authority (ies), foreign transaction charges (if any) and other charges on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments would also be levied by the broker. Any entry or exit loads (if any) and all asset management fees applicable on units of Mutual Funds will also be borne by the clients.

e. **Audit Fees**: Fees paid to auditors appointed by the Portfolio Manager with respect to the periodic audit of the Client's accounts maintained by the Portfolio Manager.

f. **Fund accounting charges**: The charges depend on the Average Investments and Investment strategies.

g. **Primary clearing member (PCM) charges (for accounts trading derivatives)**: The charges depend on the Investments and Investment strategies.

h. **Any other miscellaneous expenses including all applicable taxes and duties:** Miscellaneous expenses include but are not limited to documentation costs, administrative expenses incurred by Good Fortune Capitals Pvt. Limited to manage the client's portfolio for which supporting statements shall be provided to the client (if requested by the client). All expenses will be as per the Client Agreement as entered into with the client.

Kindly note that Portfolio Manager does not charge any upfront fees, directly or indirectly, to its clients.

Any modification in the existing terms shall be intimated to the client by written communication.

## 12 TAX IMPLICATIONS FOR THE DIFFERENT CATEGORIES OF INVESTORS

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

**Income Tax slabs information**

A. Individuals and HUF

| Taxable income | Basic Tax Rate |
|---|---|
| Up to Rs. 2,50,000 | 0% |
| Rs. 2,50,001 to Rs. 5,00,000 | 5% |
| Rs. 5,00,001 to Rs. 7,50,000 | 10% |
| Rs. 7,50,001 to Rs. 10,00,000 | 15% |

| | |
|---|---|
| Rs. 10,00,001 to Rs. 12,50,000 | 20% |
| Rs. 12,50,001 to Rs. 15,00,000 | 25% |
| Above Rs. 15,00,000 | 30% |

B. AOP/BOI/Any other Artificial Juridical Person

| Taxable income | Basic Tax Rate |
|---|---|
| Up to Rs. 2,50,000 | 0% |
| Rs. 2,50,001 to Rs. 5,00,000 | 5% |
| Rs. 5,00,001 to Rs. 10,00,000 | 20% |
| Above Rs. 10,00,000 | 30% |

For Individuals, HUF,AOP/BOI/Any other Artificial Juridical Person

| Total Taxable income | Surcharge Rate |
|---|---|
| Exceeds Rs. 50 Lacs | 10% |
| Exceeds Rs. 1 Crore | 15% |
| Exceeds Rs. 2 Crore | 25% |
| Exceeds Rs. 5 Crore | 37% |

C. Partnership Firm (Including LLP) and Local Authority

| Taxable income | Basic Tax Rate | Surcharge Rate |
|---|---|---|
| Flat Rate | 30% | - |
| Exceeds Rs. 1 Crore | - | 12% |

D. Domestic Company

| Taxable income | Basic Tax Rate | Surcharge Rate |
|---|---|---|
| Flat Rate | 30% | - |
| Turnover or Gross Receipts< Rs. 400 Crore in 2018-19 | 25% | - |
| Exceeds Rs. 1 Crore | - | 7% |
| Exceeds Rs. 10 Crore | - | 12% |

E. Foreign Company

| Taxable income | Basic Tax Rate | Surcharge Rate |
|---|---|---|
| Flat Rate | 40% | - |

| | | |
|---|---|---|
| Exceeds Rs. 1 Crore | - | 2% |
| Exceeds Rs. 10 Crore | - | 5% |

**Capital gains tax info**

| Period Of Holding | Tax Type | Condition | Tax applicable |
|---|---|---|---|
| A. Equal to or Less than 12 months for :<br>- Listed Securities<br>- Units of UTI and Equity Oriented Mutual Fund<br>- Zero Coupon Bonds<br>B. Equal to or Less than 36 months for :<br>- Other Securities | Short-term capital gains tax | When securities transaction tax is not applicable | The short-term capital gain is added to your income tax return and the taxpayer is taxed according to his income tax slab. |
| | Short-term capital gains tax | When securities transaction tax | 15%. |
| A. More than 12 months for :<br>- Listed Securities<br>- Units of UTI and Equity Oriented Mutual Fund<br>- Zero Coupon Bonds<br>B. More than 36 months for :<br>- Other Securities | Long-term capital gains tax | Except on sale of equity shares/ units of equity oriented fund | 20% |
| | Long-term capital gains tax | On sale of Equity shares/ units of equity oriented fund | 10% over and above Rs 1 lakh |

**TDS info**

| | Resident | Non Resident |
|---|---|---|
| Dividend Income | 10% | 20% |
| Income From Securities | 7.5% | 20% |
| Long Term Capital Gains | - | 10% |
| Short Term Capital Gains | - | 15% or 20% |

## 13 ACCOUNTING POLICIES/VALUATIONS:

GFC will follow an accounting and reporting system that is consistent with the Global Investment Performance Standards (GIPS) methodology. The important accounting policies are:

a) **Client Accounts:** All client accounts will be maintained separately on an accrual basis based on market values. Accounting will be trade date based (not settlement data based)

b) **Income Accrual:** Dividend income shall be recognized on the ex-dividend date. Interest income shall be accrued on due dates. Profit or loss on the sale of investments shall be recognized on trade dates. Bonus shares/units to which the security/scrip in the portfolio becomes entitled will be recognized only when the original share/scrip on which bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, right entitlements will be recognized only when the original shares/security on which the right entitlement accrues is traded on the stock exchange on the ex-right basis.

c) **Recognition:** Transactions for purchase or sale of investments shall be recognised as of the trade date and not as of the settlement date, so that the effect of all investments traded during a Financial Year are recorded and reflected in the financial statements for that year.

d) **Cost of investments:** The cost of investments acquired or purchased shall include brokerage, stamp charges and any charge customarily included in the broker's contract note.

e) **Portfolio Management Fees:** Portfolio management fees could include a fixed management fee and a variable performance fee. The amount of fixed and variable fees will be as agreed with the client and defined in the Client Agreement. Issues related to the frequency at which fees are charged and how they are calculated will also be as defined in the Client Agreement with each individual client. The fixed management fee will be as agreed in the Client Agreement terms and conditions and is payable monthly/quarterly. The performance fees as agreed with the client in the Client
Agreement will be based on returns over a hurdle rate as agreed in the Client Agreement, with a high watermark. Performance fees will be charged on performance over the hurdle rate, management fee and any costs of trading. They will be charged quarterly or annually.

f) **Brokerage:** The client understands that GFC shall conduct all securities transactions with its registered brokers or any registered broker at a brokerage/commission in line with market practices between 0.1% and 0.75% of the value of each transaction. The client shall keep GFC Pvt Limited indemnified of such charges.

g) **Other Expenses:** Besides this the client will be liable for custodian fees annual. The custodian fees will be between 0.1-0.25% ( approx) of the assets under management annually (paid in monthly increments) and 0.02%-0.2% of each transaction as stated exactly in the Client Agreement. All relevant taxes apply.

h) **Valuation of Investments: GFC** will value traded securities on the basis of closing market rates on the NSE on the relevant valuation date. If security is not listed on the NSE, latest available quote within a period of thirty days prior to the valuation date on any other major stock exchange (e.g. the BSE) where the security is listed will be considered. In the event of this date being a holiday at the exchange, the rates as on the immediately preceding trading day shall be adopted. If no such quote is available, the security may be considered non-traded. Unlisted, non-traded and all other securities where a valued cannot be ascertained shall be valued as determined in good faith by the Portfolio Manager.

i) **Aggregation of trades:** In the event of aggregation of purchases or sales for economy of scale inter se, the Portfolio Manager shall do allocation on pro rata basis at weighted average price of the day's transaction. The Portfolio Manager will not keep open position in respect of allocation of sales or purchases in a day.
**Holding cost:** In determining the holding cost of investments and the gains or loss on sale of investments, the "first in first out" method will be followed.

## 14 INVESTOR SERVICES:

(a) Name, address and telephone number of the Investor Relations Officer who shall attend to investor queries and complaints.

Name: Mr Kandaswamy Naiker
104, Mahinder Chambers,
Opp Dukes Factory, Chembur,
Mumbai 400071
E-mail: goodfortunecapital@gmail.com

Grievances, if any, that may arise pursuant to the Agreement entered into shall as far as possible be redressed through the administrative mechanism by the Portfolio Manager and are subject to SEBI (Portfolio Managers) Regulations, 2020 and any amendments made thereto from time to time.

The Portfolio Manager will endeavor to resolve Investor Grievance at the earliest. All grievances can be sent to GFC on the designated email id: Investorgrievance.Pms@goodfortunecapitals.com. Accordingly, the nature of the grievance, the type of account, and the name and contact information of the client will be recorded.

The respective Investor Relations Officer will endeavor to respond within five working days of receipt of the grievances through an email.

If within the fifth working day as mentioned above the grievance has not been resolved or a response has not been received from GFC, the issue can be escalated by sending an email to

If the Investor remains dissatisfied with the remedies offered or the stand taken by Mr. Kandaswamy Naiker or GFC, the investor and the Portfolio Manager shall abide by the following mechanisms: -

All disputes, differences, claims and questions whatsoever arising between the Client and the Portfolio Manager and/or their respective representatives shall be settled in accordance with the provision of The Arbitration and Conciliation Act, 1996 or any statutory requirement, modification or re-enactment thereof for the time being in force. Such arbitration proceedings shall be held at Mumbai or such other place as the Portfolio Manager thinks fit. Arbitration shall be held in English. The Arbitration Award shall be treated as final and shall be binding on the Parties. This arbitration clause is subject to the jurisdiction of courts in Mumbai only.

Each party will bear the expenses / costs incurred by it in appointing the arbitrator and for the arbitration proceedings. However, the cost of appointing the presiding arbitrator will be borne equally by both the Parties. Investor shall have the recourse to visit the SEBI SCORES portal for lodging their complaints, if any in case they are not satisfied with the response of the Portfolio Manager.

## 15 GENERAL:

The Portfolio Manager and the Client can mutually agree to be bound by specific terms through a written agreement ("Discretionary Portfolio Investment Management Agreement, and Advisory Agreement") between themselves.

**For Good Fortune Capitals Pvt. Ltd.**

| Sr. No. | Name of Director | Signature |
|---|---|---|
| 1. | Kannan K Naiker | Sd/- |
| 2. | Khajakhan Abdul Rahim | Sd/- |

**Date: 27.02.2023**
**Place: Mumbai**

**FORM C**

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

Good Fortune Capitals Pvt. Ltd.
104, Mahinder Chambers, Opp Dukes factory,
Chembur, Mumbai 400071.
Telephone Number: (022) – 25206700

We confirm that:

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

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

3) The document has been duly certified by K J Janani & Co, Chartered Accountants, having firm Registration Number FRN 112498W vide certificate issued 06.12.2021 to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision.

For

Good Fortune Capitals Pvt. Ltd. ( Sd/-)

Ananthanarayan J
Principal Officer
27.02.23