



TO WHOMSOEVER IT MAY CONCERN

We hereby certify that the disclosures made in enclosed disclosure document dated 12/12/2024 prepared and forwarded by Pioneer Client Associates Private Limited in term of fifth schedule of regulation 22 of Securities and exchange board of India (Portfolio Manager) Regulations, 2020 are True, fair and adequate to enable investors to make a well informed decision.

This Certificate is issued on the basis of information and documents produced before us and on the Basis of representations made by Pioneer Client Associates Private Limited.

For **Mehndiratta & Associates**
Chartered Accountants

Firm Registration Number: 023050N

Jatin

Mehndiratta

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Jatin Mehndiratta

Date: 2024.12.19

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Jatin Mehndiratta

Membership Number: 511278

Place: New Delhi

Date: 19/12/2024

UDIN: 24511278BKBMTTP4694

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

Pioneer Client Associates Pvt Ltd
2nd Floor, Block – B, Vatika Towers, Golf Course Road
Sector- 54, Gurgaon, Haryana-122002
Phone – 0124 4995400
Email - nitinagarwal@clientassociates.com

We confirm that :

1. The Disclosure Document forwarded to the Board 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 Disclosure Document has been duly certified by an independent chartered accountant- Mehndiratta & Associates, New Delhi, Phone: +919818870102 , Membership No.: 023050N

Place – Gurgaon

Date -12th December, 2024



Mr. Nitin Aggarwal

Pioneer Client Associates Pvt Ltd

2nd Floor, Block B, Vatika Towers,
Golf Course Road, Sector 54,
Gurgaon; Haryana -122002.

Phone - 0124-4995400

E-mail: nitinagarwal@clientassociates.com

PIONEER CLIENT ASSOCIATES PRIVATE LIMITED
PORTFOLIO MANAGEMENT SERVICES - DISCLOSURE DOCUMENT

Version 2

This disclosure is updated on website of Portfolio Manager (www.clientassociates.com)

| PIONEER CLIENT ASSOCIATES PRIVATE LIMITED | |
|---|---|
| <p>As per the requirement of Schedule V and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation 2020:</p> <ol style="list-style-type: none">i. The disclosure document ("Document") has been filed with the Securities and Exchange Board of India along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.ii. The purpose of the Document is to provide essential information about the Portfolio Management Services (PMS) in a manner to assist and enable the investors in making informed decision for engaging Pioneer Client Associates Private Limited ("Client Associates") as a Portfolio Manager.iii. The disclosure document contains the necessary information about the Portfolio Manager, required by an investor before investing, and hence, the investor may be advised to retain the document for future reference. | |
| PRINCIPAL OFFICER | PORTFOLIO MANAGER |
| Mr. Nitin Aggarwal 2nd Floor, Block B, Vatika Towers, Golf Course Road, Sector 54, Gurgaon, Haryana – 122002 Phone: 0124-4995400 E-mail: nitinaggarwal@clientassociates.com | Pioneer Client Associates Private Limited Registration number – INP100007231 Registered Office 2nd Floor, Block B, Vatika Towers, Golf Course Road, Sector 54, Gurgaon, Haryana – 122002 Phone: 0124-4995400 |
| Dated: 12 th December 2024 | |

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1. Disclaimer

The particulars given in this Document have been prepared in accordance with the Securities Exchange Board of India (SEBI) (Portfolio Managers) Regulations, 2020 as amended till date and 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 the document.

2. Definitions

- (a) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992), as may be amended from time to time.
- (b) **“Agreement”** or **“Client Agreement”** means the agreement between Portfolio Manager and its Client and shall include all schedules and annexures attached thereto and any amendments made to this Agreement by the Parties in writing.
- (c) **“Advisory Services”** shall mean the non-binding Investment Advisory Services rendered by the Portfolio Manager to the Client. The Portfolio Manager shall be solely acting as an advisor to investments in general or any specific advice required by the Clients and entry /exit timing, execution and settlement are solely Client’s responsibility.
- (d) **“Application”** means the application made by the Client to the Portfolio Manager to place its Funds and / or Securities with the Portfolio Manager for portfolio management services. Upon execution of the Agreement by the Portfolio Manager, the Application shall be deemed to form an integral part of the Agreement. Provided that in case of any conflict between the contents of the Application and the provisions of the Agreement, the provisions of the Agreement shall prevail.
- (e) **“Assets”** means (i) the Portfolio and / or (ii) the Funds.
- (f) **“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 provision of portfolio management services and as permitted under the Applicable Laws.
- (g) **“Benchmark Indices”** means BSE 100, BSE 500, BSE Midcap or BSE Small cap etc.
- (h) **“Board”** means the Securities and Exchange Board of India.

- (i) **“Broker”** means a person through which buying and selling of securities is executed on behalf of the client. At present, Ambit Capital Private Limited has been appointed as a broker. The Portfolio Manager may appoint any other broker for execution of trades in the future.
- (j) **“Client”** means the person who enters into an Agreement with the Portfolio Manager for managing its Portfolio and / or Funds.
- (k) **“Custodian”** means a person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, which for the time being is ICICI Bank Limited with its office at Securities Markets Services, Empire Complex, 1st Floor, E7/F7 Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
- (l) **“Client Agreement”** means the agreement executed between the Client and the Portfolio Manager for providing Portfolio Management Services to that Client and stating therein the terms and conditions on which the Portfolio Manager shall provide such Portfolio Management Services to that Client.
- (m) **“Chartered Accountant”** means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- (n) **“Depository Account”** means one or more account or accounts opened, maintained and operated by the Portfolio Manager with any depository or depository participant registered under the SEBI (Depositories and Participants) Regulations, 1996 in accordance with the Client Agreement.
- (o) **“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 Client Agreement, under which the Portfolio Manager exercises any degree of discretion in the investments or management of Assets of the Client.
- (p) **“Document”** means this Disclosure Document dated 16th December 2022, as may be amended from time to time.
- (q) **“Effective Date”** means the date on which the Portfolio Management account of the Client is activated in the books of Portfolio Manager.
- (r) **“Financial Year”** means the year starting from April 1 and ending on March 31 of the following year.
- (s) **“Funds”** means the monies managed by the Portfolio Manager on behalf of the Client pursuant to Client Agreement and includes (i) the monies mentioned in the Application; (ii) any further monies placed by

the Client with the Portfolio Manager for being managed pursuant to the Client Agreement; or (iii) the proceeds of the sale or other realization of the Portfolio and interest, dividend or other monies arising from the Assets, so long as the same is managed by the Portfolio Manager.

- (t) **“Investment Advisory Services”** means the services, where the Portfolio Manager advises Clients on investments in general or gives specific advice required by the Clients and as agreed upon in the Agreement.
- (u) **“Party”** or **“Parties”** means the Portfolio Manager and the Client.
- (v) **“Person”** includes an individual, a Hindu Undivided Family, a corporation, a partnership (whether limited or unlimited), a limited liability company, a body of individuals, an association, a proprietorship, a trust, an institutional investor and any other entity or organization whether incorporated or not, whether Indian or foreign, including a government or an agency or instrumentality thereof.
- (w) **“Portfolio”** means the Securities managed by the Portfolio Manager on behalf of the Client pursuant to the Client Agreement and includes any Securities mentioned in the Application, any further Securities placed by the Client with the Portfolio Manager for being managed pursuant to the Client Agreement, Securities acquired by the Portfolio Manager through investment of Funds in Securities forming part of the Portfolio, so long as the same is managed by the Portfolio Manager.
- (x) **“Portfolio Manager”** means Pioneer Client Associates Private Limited, a private limited company incorporated under the Companies Act, 1956 and having its registered office and principal place of business at 2nd Floor, Block B, Vatika Towers, Golf Course Road, Sector 54, Gurgaon, Haryana, India which is registered with SEBI as a Portfolio Manager under SEBI (Portfolio Managers) Regulations, 2020, bearing Registration No. INP100007231.
- (y) **“Principal Officer”** means an employee of the Portfolio Manager who is responsible for the activities of Portfolio Management and has been designated as Principal Officer by the Portfolio Manager.
- (z) **“Product”** means any of the current investment product or such products that may be introduced at any time in future by the portfolio manager.
- (aa) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as may be amended by SEBI from time to time.
- (bb) **“SEBI”** means the Securities and Exchange Board of India.
- (cc) **“Securities”** means as defined under the Securities Contracts (Regulation) Act, 1956, as may be amended by SEBI from time to time and include -

i) Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate including:

- a) Derivative;
- b) Units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- c) Security receipt as defined in clause(zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- d) Units or any other such instrument issued to the investors under any mutual fund scheme;
- e) Government securities;

ii) Such other instruments as may be declared by the Central Government to be securities;

iii) Rights or interest in securities

iv) Exchange Traded Funds

v) Liquid Funds

The terms that are used herein and not defined herein, except where the context otherwise so requires, shall have the same meanings as are assigned to them under the Regulations, as may be in force and as amended from time to time.

3. Description

i. History, Present Business and Background of the Portfolio Manager

Pioneer Client Associates Private Limited is a company incorporated under the Companies Act, 1956 on September 13, 2004 having its Registered Office at 2nd Floor, Block-B, Vatika Towers, Golf Course Road, Sector-54, Gurgaon-122002, India.

The Company is registered with SEBI as Portfolio Manager under the Regulations. The Company has obtained a license from SEBI for offering Portfolio Management Services in 2021.

In addition, the Company is registered investment advisor with the SEBI *vide* registration no. INA100010660 providing the Investment Advisory Services and Wealth Management Solutions in the

areas of equity, debt, alternate investments, risk management, with or without the use of third-party products.

ii. **Promoters of the portfolio manager, directors and their background**

The Key personnel at Client Associates are Himanshu Kohli and Rohit Sarin.

1. **Himanshu Kohli**¹

Himanshu is the co-founder of Client Associates and holds 50% of the shareholding of the Company. He has over 2 decades of experience in the areas of Investment Banking & Private Banking. Prior to setting up Client Associates he worked with Deutsche Bank Private Banking, DSP Merrill Lynch and London Forfaiting Group. Himanshu is an alumnus of Shri Ram College of Commerce (SRCC) from where he did his B.Com (Hons). He received his Master's degree in Finance & Control (MFC) from the University of Delhi. In 2008 he was honored with the Distinguished Alumnus Award from the Department of Financial Studies, New Delhi.

2. **Rohit Sarin**²

Rohit is the Co-Founder of Client Associates and holds 50% of the shareholding of the Company. He has more than two decades of experience behind him in the areas of Corporate Finance, Private Banking and Family Offices. Prior to founding Client Associates he worked with Deutsche Bank, ANZ Grindlays Bank and Kotak Bank. Rohit earned his Bachelor's Degree in Planning from School of Planning & Architecture, Delhi and received his Master's Degree in Finance from University of Delhi. He was honoured with the "Distinguished Alumnus Award" from the Department of Financial Studies, University of Delhi and was the Govt. of India Merit Scholar at Modern School, Delhi.

iii. **Group companies' information (i.e. the information related to top 10 group companies / firms of the Portfolio Manager on turnover basis) (as per audited financial statements for the year ended March 2019)**

Client Associates does not have any group company.

iv. **Details of the Services being offered**

Client Associates offers Discretionary PMS, Non-Discretionary and Investment Advisory Services which are as follows:

¹ <https://www.clientassociates.com/himanshu-kohli.html>

² <https://www.clientassociates.com/rohit-sarin.html>

a. Discretionary Services

The Portfolio Manager shall be acting in a fiduciary capacity with regard to Client's Portfolio and shall have sole and absolute discretion to invest Client's Funds in any type of Securities and in any market as he deems fit for the benefit of the Client as per the Discretionary Portfolio Investment Management Agreement. The Securities invested / disinvested by the Portfolio Manager for Clients may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Client's Funds is absolute and final and can never be called in question or be open to review at any time during the currency of the Client Agreement or at any time thereafter except on the ground of fraud, mala fide, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, Regulations, guidelines and notifications in force from time to time. Periodical statements in respect to Client's Portfolio shall be sent to the respective Client. Under these services, the Clients may authorize the Portfolio Manager to invest their Funds in specific financial instruments or a mix of specific financial instruments or restrict the Portfolio Manager from investing in specific financial instruments or securities. The main features under Client Associates' Discretionary Portfolio Management Services are:

- i) Long term horizon;
- ii) Rigorous fundamental equity research and patience required to take contrarian calls;
- iii) Search for mispriced stocks;
- iv) Reasonably high level of concentration; and
- v) Ability and willingness to take top-down market calls to avoid getting caught in a prolonged bear market.

b. Non-discretionary services

Under the Non-Discretionary Portfolio Management Services, the portfolio of the client shall be managed in consultation with the client and in accordance with the instructions of the client. Under this service, the assets will be managed as per express prior instructions issued by client from time to time. The client will have complete discretion to decide on the investment (Stock quantity and price or amount). In the case, the portfolio manager shall be responsible for inter alia managing transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the client entirely at client's risk. The Portfolio Manager's role would include but not be limited to providing research, structuring of clients' portfolios, investment advice, guidance and trade execution at the Client's request. The deployment of the Client's Funds by the Portfolio Manager on the instructions of the Client is absolute and final and can never be called in question or shall not be open to review at any time during the currency of the Client agreement or at any time thereafter except on the ground of mala fide, fraud, conflict of interest or gross negligence. Periodical statements in respect of Client's Portfolio shall be sent to the respective Clients.

c. Investment 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 /or the Client, from time to time.

The Portfolio Manager shall be solely acting as an advisor in respect of Portfolio of the Client and shall not be responsible for the investment / divestment of securities and / or administrative activities of the Client’s Portfolio.

v. Minimum size of investment

The client would need to invest/ start with a minimum portfolio of Rs. 50 lacs.

vi. Investment horizon

A minimum investment horizon of three year is preferred.

4. Penalties, pending litigation or proceedings

| | |
|---|----------------|
| i. All cases of penalties imposed by the Board or the directions issued by the Board under the Act or rules or regulations made thereunder. | None |
| ii. The nature of the penalty/direction | Not Applicable |
| iii. Penalties/fines imposed for any economic offence and/ or for violation of any securities laws. | None |
| iv. Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any. | None |
| v. Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency. | None |
| vi. Any enquiry/ adjudication proceedings initiated by the Board against the portfolio manager or its directors, principal officer or employee or any person directly or indirectly | None |

| | |
|--|--|
| connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder. | |
|--|--|

5. Services Offered

5.1 Investment Objectives

The fund aims to generate capital appreciation by investing mainly in the equities and equity-oriented products of fundamentally strong companies. The products will have parametric based portfolios to suit the specific profile of the investors

5.2 Investment Approach of the Portfolio Manager

Pioneer Client Associates creates portfolio of companies that adhere to the following three criteria:

- i. To build the portfolios for its PMS, Portfolio manager will focus mainly on the sound fundamentals using a multifactor parametric approach.
- ii. Using the approach Portfolio manager will use certain Risk management parameters like ROCE/ ROE, deviations in earnings, Debt/ equity etc. The Companies selected should have a proven track record of relatively higher level of expected profitability, and a business model that has a proven ability to do well through different economic conditions, which Portfolio manager shall determine through a rigorous multi factor model analysis.
- iii. The product will follow long only strategy. The portfolio will be reviewed regularly, and such reviews are based on several factors like business cycles, economic conditions and market scenarios.

5.3 The policies for investments in associates / group companies of the portfolio manager and the maximum percentage of such investments therein subject to the applicable laws / regulations / guidelines

The Portfolio Manager does not have an associate company / group company.

5.4 Products Offered

To cater to the different needs and risk profile of different investors, the Portfolio Manager is offering different products. The portfolios under these products will be customized as per the risk profiles of the investors and will have stocks/Mutual funds/ other securities as per the investment philosophy of these products. The brief Details about portfolio strategy of these products are as follows:-

Product 1: CA MFM Large Cap

| | |
|------------------------------------|--|
| Product Objective | The fund aims to deliver superior risk adjusted returns by investing in a portfolio of established and proven businesses |
| Investment approach and Strategy | Equity: Investing in fundamentally strong, blue chip stocks |
| Universe of investment | Top 200 companies by market capitalization |
| No. of companies in the portfolio | More than 20 companies across industries and sectors |
| Risk relative to Market | High Risk - Equal to a large-cap index |
| Liquidity | Fund invests in listed equities with proven history of robust volumes, hence liquidity risk is very low |
| Return will be Benchmarked against | Nifty 50 TRI |
| Investment horizon | 3 years preferred |

Product 2: CA MFM Mid Cap

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|------------------------------------|--|
| Investment Objective | The fund aims to deliver superior risk adjusted returns by investing in a portfolio of established and proven businesses |
| Investment approach and Strategy | Equity: Investment in fundamentally strong but relatively Mid and small level Companies |
| Universe of investment | Top 700 companies by market capitalization. |
| No. of companies in the portfolio | More than 20 companies across industries and sectors |
| Risk relative to Market | High Risk - Relatively higher than large cap |
| Liquidity | Fund invests in listed equities with proven history of robust volumes, hence liquidity risk is very low |
| Return will be Benchmarked against | S&P BSE 500 TRI |
| Investment horizon | 3 years preferred |

Product 3: CA MFM Multi Cap

| | |
|------------------------------------|--|
| Investment Objective | The fund aims to deliver superior risk adjusted returns by investing in a portfolio of established and proven business |
| Investment approach and Strategy | Equity: Investment in a mix blend of Large, mid and small Companies based on portfolio manager's discretion. |
| Universe of investment | Top 700 companies by market capitalization. |
| No. of companies in the portfolio | More than 20 companies across industries and sectors |
| Risk relative to Market | High Risk - Relatively higher than large cap |
| Liquidity | Fund invests in listed equities with proven history of robust volumes, hence liquidity risk is very low |
| Return will be Benchmarked against | S&P BSE 500 TRI |
| Investment horizon | 3 years preferred |

Product 4. CA Diversified assets Product

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|-----------------------------------|--|
| Investment Objective | Investment Objective is to help the clients in achieving their optimum strategic asset allocation. The same will be achieved through investments in Mutual Funds and AIFs as securities. |
| Investment approach/es | <p>General: Funds are selected basis multiple factors including (but not limited to) track record, fund manager credentials, hygiene at the AMC, fund size, suitability to the respective client, etc., with allocation towards equity & debt allocation ranging from 0-100%. Accordingly, to meet client specific needs of asset allocation there will be following three strategies under "CA Diversified Mutual Funds strategy":</p> <p>1. CA Diversified – Equity:</p> <p>Investment approach: Custom designed mutual funds portfolios with allocation pre dominantly in equity Mutual funds and/or Cat-iii AIFs to achieve long term capital appreciation and growth in the Portfolio.</p> <p>2. CA Diversified – Debt:</p> <p>Investment approach: Custom designed mutual funds portfolios with allocation predominantly in Debt and related Mutual funds and/or such Cat -iii AIFs. The objective is to achieve Income generation, and capital preservation of the portfolios.</p> <p>3. CA Diversified – Hybrid-</p> <p>Investment approach: Custom designed mutual funds portfolios with allocation Depending upon the suitability and needs of the client, allocation in both Equity & Debt and related Mutual Funds and/or Cat -iii AIFs. The objective to generate stable returns by constructing a relatively stable portfolio with suitable safety and growth.</p> |
| Universe of investment | All the available Mutual Funds and AIFs |
| No. of companies in the portfolio | NA |
| Risk relative to Market | <p>Risk relative to market will differ from investor to investor from Medium to High risk, depending upon his/her asset allocation and final portfolio. However, following are the indicative risks under various approaches and the strategies:</p> <p>1. CA Diversified - Equity - Medium to High</p> <p>2. CA Diversified – Debt - Low to Medium</p> <p>3. CA Diversified - Hybrid- Medium</p> |

| | |
|-------------------------------------|---|
| Liquidity | 1. Mutual Fund investments- High 2. AIF Investments - Medium to Low |
| Return will be Benchmarked againsts | CA Diversified - Equity – BSE 500 TRI CA Diversified - Debt - Crisil Composite Bond Fund Index CA Diversified - Hybrid- Crisil Hybrid 50+ 50 Moderate Index |
| Investment horizon | Medium to Longer term |

Product 5. CA Equity Multi-manager Portfolio

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|------------------------------------|--|
| Fund Objective | The fund aims to deliver superior risk adjusted returns by investing in a portfolio of Equity mutual funds, Index funds, ETFs, stocks, bonds and other financial instruments |
| Investment approach and Strategy | Constructing a diversified Equity portfolio of mutual funds, ETFs, and other financial instruments by using in-house quantitative and qualitative manager selection mythology. |
| Universe of investment | Mutual funds, Index Funds & ETFs, and stocks of top 500 companies by market capitalization |
| No. of funds/ETFs in the portfolio | It's a highly diversified portfolio invested across mutual funds, ETFs and other financial instruments |
| Risk relative to Market | High Risk - Fund's market risk is comparable to broader Indian Equity indices |
| Liquidity | Fund invests in open ended mutual funds, ETFs, Index funds and other financial instruments which are reasonably liquid, hence liquidity risk is very low |
| Return will be Benchmarked against | BSE 500 TRI |
| Investment horizon | 3 years Plus |

Product 6. CA Direct Equity Portfolio

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|------------------------------------|--|
| Fund Objective | The fund aims to deliver superior risk adjusted returns by investing in Stocks of listed companies in India. |
| Investment approach and Strategy | Constructing a diversified Equity portfolio of stocks as per the discretion of investors. |
| Universe of investment | All listed companies in India. |
| No. of stock in the portfolio | As per client's discretion. |
| Risk relative to Market | High Risk |
| Liquidity | Fund invests in listed stocks, hence liquidity risk is low. |
| Return will be Benchmarked against | BSE 500 TRI |
| Investment horizon | As per client's discretion. |

Note:

1. Portfolio manager may choose to invest in money market/ Liquid instruments for short term and through units of Mutual funds depending upon the needs and opportunities in the market and in accordance with the laws.
2. The asset allocation % in the above products offered is only indicative, the actual allocation may differ from client to client based on his/her risk profile and investment objectives and suitability.
3. All these products are offered under discretionary, non- discretionary and/or advisory mode, depending upon the needs and agreement between client and the portfolio manager.

5.5 Client Onboarding:

All these products under PMS services are offered under both Distributor Mode and Direct Mode (i.e without the intermediation of an intermediary or a distributor). For direct onboarding client can contact nitinagarwal@clientassociates.com.

6. Risk Factors

The following are the risk factor as perceived by the management:

- i. The PMS will be implemented strictly in accordance with SEBI (Portfolio Managers) Rules and Regulations, 2020 and amendments thereto. Investors are requested to familiarize themselves with these regulations.
- ii. Investments in Securities are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- iii. The Portfolio Manager does not guarantee or assure the client of the value of returns on the Assets, in any manner whatsoever. The value of the Assets under the Discretionary Portfolio Management Service may depreciate to an unpredictable extent.
- iv. The past performance of the Portfolio Manager, promoters or Directors is not indicative of and does not guarantee future performance of individual portfolios. The investments may not be suited to all categories of investors.
- v. Investors are not being offered any guaranteed or assured return(s) i.e., either of principal or appreciation of the Portfolio. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the portfolio management services.
- vi. 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.
- vii. Investors may not be able to voluntarily withdraw from the Portfolio. In addition, they may not be able to transfer any of the interests, rights, or obligations with regard to the Portfolio except as may be provided in the relevant Client Agreement and the Regulations.
- viii. The performance of the individual portfolio may be affected by changes in Government Policies, general levels of interest rates, currency rates, taxation laws and risk associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- ix. Investments in debt instruments are subject to default risk and interest rate risk, liquidity risk. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to fluctuations.
- x. The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the client's portfolio to liquidity risks.
- xi. The Portfolio Management Service is subject to risk arising from the investment objective, investment strategy and asset allocation.
- xii. The Portfolio Manager carries out risk profiling of the Clients at the time of initial investment. In case the Client does not inform the changes in the profile, there may be a risk of investment advice on the basis of incorrect risk profiling of the Client due to insufficient information provided by such Client.

- xiii. The Client should read the Document and terms and conditions of the product properly before making any investment decision. The Portfolio Manager would be acting on the advice of experts in the relative fields but would not be responsible for any loss occasioned by any act or omission on the part of such persons.
- xiv. A Portfolio which tends to concentrate on a specific asset class or a specific sector could carry the risk with regard to non-diversification of the Portfolio and hence, the scope for diversification could be limited at times. There could be instances when the Portfolio might have an unusually high exposure to a few stocks.
- xv. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that the Client should understand.
- xvi. The value of an investment may be affected by the application of tax laws, including withholding tax, or changes in government or economic or monetary policy from time to time as may be applicable to specific clients. As such, no guarantee can be given that the financial objectives will actually be achieved.
- xvii. All transactions of purchase and sale of securities by portfolio manager and its employees who are directly involved in investment operations shall be disclosed if found having conflict of interest with the transactions in any of the client's portfolio.
- xviii. If the portfolio manager has group companies, a disclosure of conflict of interest related to services offered by group companies of the portfolio manager if any
- xix. The Portfolio Management activities have been launched by the company from January,2022 only, and prior to that the Portfolio Manager has no experience related to portfolio management. However, the Principal Officer / Key persons so designated by the Portfolio Manager have the relevant experience to manage the Portfolios.
- xx. Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at the lower rate.
- xxi. The value of the securities may be affected by changes in settlement periods and transfer procedures. The liquidity of the investments made by the Portfolio may be restricted by the trading volumes, settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities.
- xxii. Investors are not being offered any guaranteed or indicative returns through any of the Product.
- xxiii. The names of the Product do not in any manner indicate their prospects or returns.
- xxiv. The investments made are subject to external risks such as war, natural calamities, and policy changes of Local/International markets which affect stock/capital markets.

- xxv. In the interest of investors, the Portfolio Manager may, at its sole discretion, invest/advise to invest up to 100% of the portfolio in liquid and / or debt mutual fund schemes. Moreover, the Portfolio Manager may at its sole discretion decide not to apply to the securities and return the funds to investors, in case there is any change in the risk/return profile of the portfolio in the backdrop of changed market conditions or for any other reason that the Portfolio Manager may deem appropriate.
- xxvi. Performance of the portfolio/s may be impacted as a result of specific investment restrictions, if any provided by the client.
- xxvii. The tax implications provided in this document is for general purposes only and is based on advice that the Portfolio Manager has received regarding the law and the practice that is currently in force in India and the client should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Portfolio will endure indefinitely. In view of the individual nature of tax consequences, each client is advised to consult his/her own professional tax advisor.
- xxviii. To implement a decision of the client regarding investments, the Portfolio Manager would have to take the services of persons and bodies that are not the Portfolio Manager's employees and rely on them. While the Portfolio Manager, would exercise all care and take all precautions while employing such persons, it should be understood that the Portfolio Manager would not be liable for any act or omission on the part of such persons engaged by the Portfolio Manager for the purpose of making an investment or disposing off an investment and that the Portfolio Manager would not be liable for any loss caused by any act or omission on the part of such person.
- xxix. The Portfolio Manager will also not be liable for any bona fide act of omission or commission or delay in carrying out the instructions of the client.
- xxx. Clients are advised to review/study this disclosure document carefully and consult their own professional advisors on legal, taxation, financial matters before investing.
- xxxi. Each portfolio will be exposed to various risks depending upon the investment objectives, investment approaches the strategies and the asset allocation, which may differ from client to client. However generally, portfolios with higher allocations to equities will be subject to higher volatility than portfolios with lower allocation to equities.

7. Client Representation

i.) Details of Client's accounts activated –

| Category of clients | No. of clients | Funds managed (Rs. Cr.) | Discretionary / Non-Discretionary (if available) |
|---|----------------|-------------------------|--|
| Associates / group companies (Last 3 years) * | 1 | 8.99 | Discretionary |
| Others (last 3 years) | 28 | 48.53 | Discretionary |
| Total# | 29 | 57.52 | Discretionary |

| Category of clients | No. of clients | Funds managed (Rs. Cr.) | Discretionary / Non-Discretionary (if available) |
|---|----------------|-------------------------|--|
| Associates / group companies (Last 3 years) * | 1 | 2.25 | Non-discretionary |
| Others (last 3 years) | 15 | 1541.02 | Non-discretionary |
| Total# | 16 | 1543.27 | Non-discretionary |

#as on 30/11/2024

*The AUM of Rs 8.99 cr. In discretionary PMS belongs to one of the directors and the AUM of Rs. 2.25 cr. in Non-discretionary PMS belongs to one of the employees of the company.

ii) Related party Transactions as per the standards specified by the ICAI.

No related party transactions.

8. Financial Performance

Details of the latest audited financials for last three financial years are given below.

(Values in rupees hundreds)

| Particulars | 2023-24 | 2022-23 | 2021-22 |
|--|----------------|---------------|---------------|
| Gross income | 1,53,31,790.00 | 13,562,990.00 | 12,302,055.61 |
| Gross expense | 1,45,62,780.00 | 12,884,360.00 | 11,662,342.28 |
| Profit before tax | 7,69,010.00 | 678,630.00 | 639,713.33 |
| Provisions for Tax | 3,05,585.00 | 195,950.00 | 170,478.88 |
| Provisions for Deferred Tax/Credit/Short, Excess of prev. Year | | (31,000.00) | 332.37 |
| Profit After Tax | 463,425.00 | 513,600.00 | 468,902.09 |

Net worth as on 31/03/2024

(value in rupees Crores)

| | |
|--|-------|
| Paid up capital | 0.01 |
| Add: Reserves and Surplus (excluding revaluation reserves) | 39.10 |
| Less: Accumulated loss if any | 0 |
| Less: Miscellaneous expenditure | 0 |
| Total net worth | 39.11 |

9. Portfolio management performance of Portfolio Manager

1. Name of the product - CA MFM Large Cap

The portfolio performance as on – 30/11/2024 is below

| Particulars | Methodology | Current Year Performance (1 st April, 2024- 30 th November, 2024)# | Year 3 Performance (1 st April 2023- 31 st March, 2024) | Year 2 Performance (1 st April 2022- 31 st March, 2023) | Year 1 Performance (22 nd Feb , 2022- 31 st March , 2022) |
|---|-------------|--|---|---|---|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 7.96% | 14.96% | -6.33% | 3.81% |
| Benchmark Performance % Nifty 50 TRI | | 9.16% | 30.08% | 0.59% | 1.80% |

*Product offered from 22-02-2022

2. Name of the product - CA MFM Multi Cap

The portfolio performance numbers as on – 30/11/2024

| Particulars | Methodology | Current Year Performance (1 st April, 2024- 30 th November, 2024) | Year 3 Performance (1 st April 2023- 31 st March, 2024) | Year 2 Performance (1 st April 2022- 31 st March, 2023) | Year 1 Performance (10 Jan, 2022- 31 st March, 2022) |
|---|-------------|---|---|---|---|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 9.53% | 15.72% | -6.81% | -5.47% |
| Benchmark Performance % (BSE 500 TRI) | | 12.51% | 40.16% | -0.91% | -2.79% |

*Product offered from 10-01-2022

3. Name of the product - CA MFM Mid Cap

The portfolio performance numbers as on - 30/11/2024

| Particulars | Methodology | Current Year Performance (1 st April, 2024- 30 th November, 2024) | Year 2 Performance (17th April, 2023- 31 st March, 2024) | Year 1 Performance (17th April, 2022- 31 st March, 2023) |
|---|-------------|---|---|---|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 9.17% | 31.78% | -6.04% |
| Benchmark Performance % (BSE 500 TRI) | | 12.51% | 40.16% | -2.56% |

*Product offered from 17-04-2022

4. Name of the product - CA Diversified assets Product

The portfolio performance numbers as on - 30/11/2024

A.) CA Diversified – Equity:

| Particulars | Methodology | Current Year Performance (1 st April, 2024-30 th November, 2024) | Year 1 Performance (17 th April, 2023-31 st March, 2024) |
|---|-------------|--|--|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 10.19% | 31.26% |
| Benchmark Performance % (BSE 500 TRI) | | 12.51% | 20.42% |

*Product offered from 17-08-2023

B.) CA Diversified – Debt:

| Particulars | Methodology | Current Year Performance (1 st April, 2024-30 th November, 2024) | Year 1 Performance (18 th September, 2023- 31 st March, 2024) |
|---|-------------|--|---|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 5.21% | 4.12% |
| Benchmark Performance % (CRISIL Composite Bond Index) | | 5.60% | 4.41% |

*Product offered from 18-09-2023

C.) CA Diversified – Hybrid:

| Particulars | Methodology | Current Year Performance (1 st April, 2024-30 th November, 2024) | Year 1 Performance (18 th September, 2023- 31 st March, 2024) |
|---|-------------|--|---|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 9.39% | 9.35% |
| Benchmark Performance % (Crisil Hybrid 50+50 - Moderate Index) | | 8.50% | 9.70% |

*Product offered from 18-09-2023

5. Name of the product - CA Equity Multi-Manager Portfolio

The portfolio performance numbers as on - 30/11/2024

| Particulars | Methodology | Current Year Performance (1 st April, 2024- 30 th November, 2024) | Year 2 Performance (27th December, 2023- 31 st March, 2024) |
|---|-------------|---|--|
| Portfolio Performance(%), Net of all fees and charges levied by the portfolio manager | TWRR | 13.48% | -0.73% |
| Benchmark Performance % (BSE 500 TRI) | | 12.51% | 6.03% |

*Product offered from 27-12-2023

10. Audit Observations

In connection with the audit of the Financial Statements of the Company which is examined by the statutory auditor, paper books of accounts are maintained as required by law and complied with the Accounting Standards specified under the act. Based on the audit report given by the statutory auditor it is concluded that the true and fair view on the standalone financial statements of the Company during last 2 financial years. The Portfolio accounts of clients has been audited by a qualified chartered accountant at the end of current financial year. The report of the same has been shared with the clients. There was no adverse comment on any of the account.

11. Details of investments in the securities of related parties of the Portfolio Manager

| Sr. No | Investment Approach, if any | Name of the associate/related party | Investment amount (cost of investment) as on last day of the previous calendar quarter (INR in crores) | Value of investment as on last day of the previous calendar year (INR in crores) | % of total AUM as on last day of the previous calendar year |
|--------|-------------------------------|-------------------------------------|--|--|---|
| 1 | CA MFM Large Cap | NA | NA | NA | - |
| 2 | CA MFM Mid Cap | NA | NA | NA | - |
| 3 | CA MFM Multi Cap | NA | NA | NA | - |
| 4. | CA Diversified Assets Product | NA | NA | NA | - |

| | | | | | |
|----|-----------------------------------|----|----|----|---|
| 5. | CA Equity Multi-Manager Portfolio | NA | NA | NA | - |
| 6. | CA Direct Equity Portfolio | NA | NA | NA | - |

12. Nature of expenses

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.

i. 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 may be linked to the portfolio returns achieved or a combination of any of these. Profit/performance shall be computed on the basis of high-water mark principle over the life of the investment for charging of performance/profit sharing fees. The exact basis of charge relating to each of the following services shall be annexed to the Client agreements for each of the services availed at the time of execution of such agreements.

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.

ii. 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.

iii. 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.

iv. 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.

v. 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.

vi. Fund accounting charges

The charges depend on the Average Investments and Investment strategies.

vii. Primary clearing member (PCM) charges (for accounts trading derivatives)

The charges depend on the Investments and Investment strategies.

viii. Any other miscellaneous expenses including all applicable taxes and duties

Miscellaneous expenses include but are not limited to documentation costs, administrative expenses incurred by Pioneer Client Associates Private 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.

Following tables will explain the exact percentages of fees and other charges -

1. Fee Structure for CA MFM Large Cap, CA MFM Mid Cap and CA MFM MultiCap strategies:

DIRECT MODE -

A.) FIXED FEE OPTION -

| Type of Fee | Rate % | Frequency |
|------------------------|-----------------|---|
| Fixed Fee | 1.00% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |
| Fixed Fee for employee | 0.60% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

B.) PERFORMANCE FEE OPTION

| Type of Fee | Rate % | Frequency |
|-----------------|-----------------------------|---|
| Fixed Fee | 0.50 % per annum | Calculated on daily average AUM, accrued and charged on monthly basis. |
| Performance fee | 20% without catch up clause | To be charged annually on 31 st March every year as per high water mark principle. |
| Hurdle rate | 10% | --- |

DISTRIBUTOR MODE -

A.) FIXED FEE OPTION

| Type of Fee | Rate % | Frequency |
|-------------|-----------------|---|
| Fixed Fee | 1.50% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

B.) PERFORMANCE FEE OPTION

| Type of Fee | Rate % | Frequency |
|-----------------|-----------------------------|---|
| Fixed Fee | 1.00% per annum | Calculated on daily average AUM, accrued and charged on monthly basis. |
| Performance fee | 20% without catch up clause | To be charged annually on 31 st March every year as per high water mark principle. |
| Hurdle rate | 10% | - |

2. Fee Structure for CA Diversified Mutual Fund Strategy:

DIRECT MODE -

FIXED FEE OPTION -

| Type of Fee | Rate % | Frequency |
|-------------|--|---|
| Fixed Fee | For Clients – Up to 0.50% per annum For Employees – Up to 0.20% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

DISTRIBUTOR MODE -

FIXED FEE OPTION

| Type of Fee | Rate % | Frequency |
|-------------|-----------------------|---|
| Fixed Fee | Up to 1.25% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

3. Fee Structure for “CA Equity Multi-Manager Portfolio”

DIRECT MODE -

FIXED FEE OPTION -

| Type of Fee | Rate % | Frequency |
|-------------|---|---|
| Fixed Fee | A.) For Clients – up to 0.50 % per annum B.) For Employees – up to 0.20% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

**DISTRIBUTOR MODE -
FIXED FEE OPTION**

| Type of Fee | Rate % | Frequency |
|-------------|-----------------------|---|
| Fixed Fee | Up to 1.25% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

4. Fee Structure for “CA Direct Equity Portfolio”

**For DIRECT and DISTRIBUTOR MODE -
FIXED FEE OPTION -**

| Type of Fee | Rate % | Frequency |
|-------------|---|---|
| Fixed Fee | A.) For Clients – up to 2.00 % per annum B.) For Employees – up to 2.00% per annum | Calculated on daily average AUM, accrued and charged on monthly basis |

A.) OTHER CHARGES (For all strategies)

| Category | Amount | Frequency |
|-------------------------------------|---|---|
| Exit load | Nil | NA |
| Annual Maintenance charges for DP | INR 750 /- | Annually |
| Demat Transaction charges | Rs 10 per transaction for Equity and Rs 75 per transaction on mutual funds | As per transaction (both debit and credit) |
| Custody and Fund Accounting Charges | 0.06% per annum. | Calculated on daily average AUM, accrued and charged on monthly basis. |
| SEBI regulatory charges | At actual (currently 0.00005% per annum) | Calculated on monthly closing AUM, accrued, and charged on monthly basis. |
| Brokerage | 0.10% of transaction amount – For equity share 0.01% of transaction amount – For debt ETF 0.05% of transaction amount – For equity ETF | As per transaction |
| STT and other statutory charges | STT - 0.10% of transaction amount, other statutory charges like stamp duty, exchange charges, SEBI charges etc. will be charged on actual based on contract note generated. | As per transaction |

Notes -

1. All the above charges including management fees are exclusive of GST which will be charged extra.
2. All the rates mentioned above are annualized rates.
3. In case of pre-mature withdrawal, the hurdle rate will be adjusted proportionately for the duration of the investment based on daily compounded returns.
4. The above-mentioned fee structure is for indicative purpose only. The actual fees charged and the frequency of charging such fee by the Portfolio Manager for each Client shall be determined separately and may vary from Client to Client.

5. In case of Mutual fund and AIF investments, the fee and other charges charged by those funds (e.g. fee and exit load etc.) are separate and are not covered in the above fee structure and will depend upon expense ratio of different mutual funds and AIFs.

13. Taxation

The information set out below outlines the tax implications based on relevant provisions of the Indian Income-tax Act, 1961 (“the Act”) as on date.

A. General

In view of the individual nature of tax consequences on the income, capital gains or otherwise, arising from investments, each Client is advised to consult / his / her / its tax advisor with respect to the specific tax consequences to him/ her / it of participation in the portfolio management services.

The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the client’s tax obligations.

B. Tax Deducted at Source

If any tax is required to be withheld on account of any present or future legislation, the Portfolio Manager will be obliged to act in accordance with the regulatory requirements in this regard.

C. Advance tax obligations

It shall be the Client’s responsibility to meet the obligation on account of advance tax installments payable on the due dates under the Income Tax Act.

D. Interest on Securities

Income by way of interest on securities is taxable at the slab rates applicable to the assesses under the head “Income from other sources” or “Income under the head business and profession” depending upon the nature of income and type of assesses.

E. Securities Transaction Tax

Securities Transaction Tax (“STT”) is applicable on transactions of purchase or sale of equity shares in a company or ETF, or a derivative or units of Equity Oriented Funds entered on a recognized stock exchange and sale of units of Equity Oriented Fund to the Mutual Fund.

The STT rates as applicable in the Finance Act 2020, on or after April 1, 2020 are given in the following table:

| Taxable Securities Transaction | Rate | Payable by |
|---|-------------|-------------------|
| Purchase of an equity share in a company, where: - a) The transaction of such purchase is entered into a recognized stock exchange; and b) The contract of the purchase of such share is settled by the | 0.1% | Buyer |

| | | |
|---|--|---------------------|
| actual delivery or transfer of such share. | | |
| Purchase of a unit of Equity oriented fund, where: - a) The transaction of such purchase is entered into a recognized stock exchange; and b) The contract of the purchase of such share is settled by the actual delivery or transfer of such share. | NIL | - |
| Sale of an equity share in a company, where: a) The transaction of such sale is entered into in a recognized stock exchange; and b) The contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit. | 0.1% | Seller |
| Sale of a unit of an Equity oriented fund, where: a) The transaction of such sale is entered into in a recognized stock exchange; and b) The contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit. | 0.001% | Seller |
| Sale of an equity share in a company, or a unit of an equity-oriented fund, where: - a) The transaction of such sale is entered into in a recognized stock exchange; and b) The contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit. | 0.025% | Seller |
| Derivatives: Futures | 0.01% | Seller |
| Derivatives: Options a) Where Option is not exercised – b) Where Option is exercised- | 0.05% of option premium. 0.125% on settlement price | Seller Buyer |

F. Tax Implications to Different Categories of Investors

Income arising from purchase and sale of securities can give rise to business income or capital gains in the hands of the Client. The issue of income characterization as above is essentially a question of fact and dependent on whether the shares are held as Business / Trading assets or on Capital Account. Based on judicial decisions, all of the following factors and principles need to be considered while determining the nature of assets as above:

- ✓ Motive for the purchase of shares.
- ✓ Frequency of transactions and the length of period of holding of the shares
- ✓ Treatment of the shares and profit or loss on their sale in the accounts of the assesses.
- ✓ Source of funds out of which the shares were acquired – borrowed or own.
- ✓ Existence of an object clause permitting trading in shares – relevant only in the case of corporate.
- ✓ Acquisition of the shares – from primary market or secondary market.

- ✓ Circumstances responsible for the sale of securities.
- ✓ Infrastructure employed for the share transactions by the client including the appointment of managers, etc.

Any single factor discussed above in isolation cannot be conclusive to determine the exact nature of the shares. All factors and principles need to be construed harmoniously. Further, the background of the investor (Investor v/s. a trader in shares) would also be a relevant factor in determining the nature of the shares.

In view of the above, the profits or gains arising from transaction in securities could be taxed either as “Profits or Gains of Business or Profession” under section 28 of the Act or as “Capital Gains” under section 45 of the Act.

Tax Implications where Transaction in Securities are in the nature of Investments

Where investment under the Portfolio Management Services is treated as investment, then the profit or loss from transfer of securities shall be taxed as Capital Gains under section 45 of the Act.

The Finance Act, 2020 changed the method of dividend taxation. All dividend received on or after 1 April 2020 is taxable in the hands of the investor/shareholder. If shares are held for trading purposes, then the dividend income shall be taxable under the head business or profession. Whereas, if shares are held as an investment, then income arising in nature of dividend shall be taxable under the head other sources. The DDT liability on companies and mutual funds stand withdrawn. Similarly, the tax of 10% on dividend receipts of resident individuals, HUF and firms in excess of Rs. 10 lakhs (Section 115BBDA) also stands withdrawn.

The Finance Act, 2020 also imposes a TDS on dividend distribution by companies and mutual funds on or after 1 April 2020. The normal rate of TDS is 10% on dividend income paid in excess of Rs 5,000 from a company or mutual fund.

Long Term Capital Gains

Section 112 applies to all types of taxpayers, such as individuals, HUF, company, firm, resident. Under Section 112, Long term Capital Gains is taxable at the rate of 10% (without indexation) and 20% (with indexation) except assets covered under Section 112A i.e. listed equity shares/ units of equity shares/ units of business trust on which STT is paid. Under 112A, Long Term Capital Gains on sale of Equity Shares in a company or units of Equity Oriented Fund are taxable at the rate of 10% over and above Rs. 1 lakh in a financial year (Subject to grandfathering of the highest prices as on 31.01.18) for all categories of investors provided such transactions are entered into a recognized stock exchange or such units are sold to the Mutual Fund and such transactions are chargeable to STT.

Tax implications for Non-resident Indians

Under section 111A of the Act, income from Short-term Capital Gains arising from transfer of equity shares in a company on recognized stock exchange or a unit of equity oriented fund, on which STT is paid, are taxable @ 15% (plus applicable cess).

Under Section 112, income from Long-term Capital Gains arising from transfer of equity shares in a company on recognized stock exchange or a unit of equity-oriented fund, on which STT is paid, are taxable @ 10% (plus applicable cess) or as per the special provisions contained in section 115E of the Act. Under section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of specified assets purchased in foreign currency as defined under section 115C (which includes shares, debentures, deposits in an Indian Company and security issued by central govt.) is chargeable at the rate of 20% (plus applicable cess).

In the case of an assessee of a country with which a DTAA is in force, the tax should be withheld as per provisions in the Act or as per the provisions in the DTAA whichever is more beneficial to the non-resident investor.

SHORT-TERM CAPITAL GAINS

Under section 111A of the Act, income from Short-term Capital Gains arising from transfer of equity shares in a company on recognized stock exchange or a unit of equity oriented fund, on which STT is paid, are taxable @ 15% (plus applicable surcharge and cess).

In case of resident individuals and HUFs, where the total income as reduced by short-term capital gains u/s 111A, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance Short-term capital gains will be subjected to the 15% tax. The said tax rate would be increased by an applicable Surcharge, Education Cess and Secondary & Higher Education Cess.

The tax rates applicable to different categories of assesses on Short-term Capital Gains (other than on securities referred above) would be the normal applicable rates.

CAPITAL LOSS

Losses under the head 'Capital Gains' cannot be set-off against income under any other head. Further, within the head 'Capital Gains', long-term capital losses cannot be adjusted against short-term capital gains. However, short-term capital losses can be adjusted against both short-term and long-term capital gains. Unabsorbed long-term capital loss can be carried forward and set off against the long-term capital gains arising in subsequent eight assessment years. Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in subsequent eight assessment years subject to the relevant provisions of Income Tax Act 1961.

Tax Implications where securities are treated as Business Assets

Profits and Gains of Business or Profession

The following are the various income streams that can arise from securities held under the PMS:

1. Gains on sale of securities;
2. Dividend income on shares / Income-distributed on units; and
3. Interest income on debt securities.

If the securities under the PMS is regarded as a business/ trading asset, then any gain/ loss arising from sale of such securities would be taxed under the head "Profits and Gains of Business or Profession" under section 28 of the Act. The gain/ loss is to be computed under the head "Profits and Gains of Business or Profession" after allowing normal business expenses (inclusive of the expenses incurred on transfer) as per the provisions of the Act.

The Finance Act, 2020 changed the method of dividend taxation. Henceforth, all dividends received on or after 1 April 2020 are taxable in the hands of the investor/shareholder. If shares are held for trading purposes then the dividend income shall be taxable under the head business or profession. Whereas, if shares are held as an investment then income arising in nature of dividend shall be taxable under the head other sources. The DDT liability on companies and mutual funds stand withdrawn. Similarly, the tax of 10% on dividend receipts of resident individuals, HUF and firms in excess of Rs. 10 lakh (Section 115BBDA) also stands withdrawn.

The Finance Act, 2020 also imposes a TDS on dividend distribution by companies and mutual funds on or after 1 April 2020. The normal rate of TDS is 10% on dividend income paid in excess of Rs. 5,000 from a company or mutual fund.

Interest income arising on securities may be categorized as 'Business Income' or 'Income from Other Sources'. Any expenses incurred to earn such interest (such as interest expense) would be available as deduction as per the provisions of the Act.

STT paid on securities held as a business asset would be allowable as a deduction under section 36(1)(xv) of the Act, subject to the condition that such income from taxable securities transactions is included under the head 'profits and gains of business or profession'.

Business Income is chargeable to tax at the following rates:

| Assessee | % of Income Tax |
|---|---|
| Individuals, Hindu undivided family ('HUF'), Association of Persons | Applicable Slab Rates |
| Partnership Firms [including Limited Liability Partnerships ('LLPs')] | 30%+ applicable surcharge (if any) and cess |
| Indian Corporate | 15% under section 115BAB, 22% under section 115BAA. Otherwise 30%+ applicable surcharge (if any) and cess In case Gross receipts or Total Turnover of Previous year 18-19 <Rs. 400 crores rate - 25%+applicable surcharge. |
| Foreign Company | 40%+ applicable surcharge (if any) and cess |

Losses under the head Profits and Gains of Business or Profession

In the case of loss under the head 'Profits and Gains of Business or Profession' (other than speculative loss), it can be set off against the income from any other source under the same head or income under any other head (except certain exceptions) in the same assessment year. If such loss cannot be set off against any other head in the same assessment year, then it will be carried forward and shall be set off against the profits and gains of the business (other than speculative loss), within the period of 8 subsequent assessment years.

In case the loss is in the nature of speculation loss, set-off would be available in the same assessment year only against speculation gain. In terms of Explanation to section 73, in case of a company, other than a company whose gross total income consists mainly of income which is chargeable under the heads "Income from house property", "Capital gains and "Income from other sources", or a company - the principal business of which is the business of banking or the granting of loans and advances, loss on sale of shares forming part of the business of the company (even if delivery based) is considered as speculation loss. Such loss can be carried forward for set-off against speculative gains for a period of four subsequent assessment years.

The Act has been amended to exclude derivatives transactions traded on a recognized stock exchange from being treated as a speculative transaction.

SLAB RATES

The slab rates for individuals as per the Finance Act, 2022 are as under:

| Slabs | % of Income Tax |
|-----------------------------------|-----------------|
| Up to Rs. 2,50,000* | Nil |
| From Rs. 2,50,001 to Rs. 5,00,000 | 5% |

| | |
|------------------------------------|-----|
| From Rs. 5,00,001 to Rs. 10,00,000 | 20% |
| Above Rs. 10,00,000 | 30% |

*Basic exemption limit for senior citizens (Completed 60 years but below 80 years) is Rs. 3.0 lacs

The slab rates for Resident individuals (80years and above) as per the Finance Act, 2022 are as under:

| Slabs | % of Income Tax |
|------------------------------------|-----------------|
| Upto Rs. 5,00,000 | Nil |
| From Rs. 5,00,001 to Rs. 10,00,000 | 20% |
| Above Rs. 10,00,000 | 30% |

* A resident individual (whose net income does not exceed Rs.5,00,000) can avail a rebate of Rs. 12500 or 100% of income tax, whichever is less.

*Additionally, Health and education cess @ 4% is leviable on the income tax and surcharge as computed above.

New tax regime:

Budget 2020 has announced a new tax regime giving taxpayers an option to pay taxes as per the new tax slabs from FY 2020-21 onwards.

Any individual opting to be taxed under the new tax regime from FY 2020-21 onwards will have to give up certain exemptions and deductions.

| Slabs | % of Income Tax |
|-------------------------------------|-----------------|
| Up to Rs. 3,00,000 | Nil |
| From Rs. 3,00,001 to Rs. 6,00,000 | 5% |
| From Rs. 6,00,001 to Rs. 9,00,000 | 10% |
| From Rs. 9,00,001 to Rs. 12,00,000 | 15% |
| From Rs. 12,00,001 to Rs. 15,00,000 | 20% |
| Above Rs. 15,00,000 | 30% |

* A resident individual (whose net income does not exceed Rs.7,00,000) can avail a rebate of Rs. 25,000 /- or 100% of income tax, whichever is less.

*Additionally, Health and education cess @ 4% is leviable on the income tax and surcharge as computed above.

14. Accounting Policies

- a. Investment introduced by the client into their respective portfolios are booked at the market value as of the date of introduction into the portfolio.
- b. Profit or loss on sale of investments is calculated using the "First in First Out" (FIFO) method of accounting.
- c. As far as possible the Portfolio Manager is complying with the relevant Accounting Standards issued by the Institute of Chartered Accountants of India. Stocks, for NAV purposes, would be valued based on the closing

stock prices on National Stock Exchange (“NSE”). If the stock is not listed on NSE, closing prices on Bombay Stock Exchange would be used. Revenue arising from interest and dividends is accounted for on accrual basis.

- d. The investments under the PMS are made on the behalf of and in the respective names of the investors. Hence, separate bank accounts and depository accounts are opened in the name of the Investors, which are operated by the Portfolio Manager duly authorized by a Power of Attorney. All statements and custody of assets are handled by a recognized Custodian.
- e. The Portfolio Manager shall maintain a separate Portfolio records in the name of the Client in its book for accounting the assets of the Client. The Portfolio Manager shall keep and maintain proper books of accounts, records, and documents, for the Client, to explain its transactions and to disclose at any point of time the financial position of the Client’s Portfolio.

Following Accounting Policies are to be followed for the purpose of maintaining books of accounts & records of the Client.

- i) Basis of Accounting

Financial statement of the Client under Portfolio Management Services shall be prepared and maintained as per the accrual basis of accounting.

- ii) Income Recognition

Dividend income shall be recognized on the ex-dividend date. Interest income on investments shall be accounted on accrual basis.

Gains or loss on sale of investments shall be recognized on the trade dates on the basis of first-in- first-out basis.

- iii) Recognition of fees and other expenses

Investment Management fees/advisory fee and other charges shall be accrued and charged as agreed in the agreement between the Portfolio Manager and the Client.

- iv) Investments

Investments are stated at cost of acquisition by the Portfolio Manager. Securities shall be marked to market on a daily basis. Securities brought in by the Client shall be valued at the closing price of the Security at NSE on the date of introduction of such securities into the portfolio. If closing price on NSE is not available, BSE price would be considered. Mutual fund units brought in shall be valued at the NAV for the date on which the corpus is fully credited to the account of the Portfolio Manager. Secondary market transactions shall be recognized as investments on the

trade dates at cost including brokerage, service tax and stamp fees and other applicable transaction charges.

Subscriptions to primary market issues shall be recognized as investments on allotment. Bonus and/or right entitlements shall be recognized on ex-bonus/ex-right dates.

f. Valuation of Investments:

- i) Traded Securities: Shall be valued on the basis of closing market prices on the National Stock Exchange ("NSE") as on the relevant valuation date. If the Security is not listed on the NSE, if closing price on NSE is not available or security is not listed on NSE, then BSE price would 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. Unlisted, non- traded and all other securities where value cannot be ascertained shall be valued in good faith.
- ii) Mutual Fund units: Investments in units of Mutual Funds shall be valued at the Net Asset Value of the previous day declared for the relevant Scheme on the date of the report. Where no NAV is published for a particular day, the previous working day's published NAV will be taken for the valuation purpose. Investments in units of close-ended schemes of mutual funds, which are listed on NSE, will be valued at the closing market price on NSE.
- iii) Government securities shall be valued at the prices released by an agency recommended by AMFI. Government securities, where prices are not available, shall be valued at yield to maturity based on the prevailing interest rates.
- iv) Rights entitlements for shares shall be valued at the market price of the share, reduced by the exercise price payable, and further discounted for dividend element, wherever applicable.
- v) Derivatives shall be valued at settlement price declared by NSE on the valuation date.
- vi) Gains / loss on derivatives shall be marked to market on daily basis.

The accounting policies and standards as outlined above are subject to changes made from time to time by Portfolio Manager. However, such changes would be in conformity with the Regulations.

15. Investor Services

- a. **All investor queries and complains should be addressed to the Principal Officer of the Portfolio Manager, whose contact co-ordinates are provided below:**

Mr. Nitin Aggarwal
2nd Floor, Block B, Vatika Towers,
Golf Course Road, Sector 54,
Gurgaon, Haryana – 122002
Tel: 0124-4995400
Mobile No: 9663426466
Email: nitinaggarwal@clientassociates.com

- b. **Grievance redressal and dispute settlement mechanism**

In the event the Client has any grievance on the services standards or reporting that the Portfolio Manager has agreed to provide, then the Client shall write to the Compliance Officer of the Portfolio Manager, whose contacts coordinates are provided below:

Mr. Rakesh Khanna
2nd Floor, Block B, Vatika Towers,
Golf Course Road, Sector 54,
Gurgaon, Haryana – 122002
Tel. 0124-4995400
Mobile No: 9873413207
Email: rakeshkhanna@clientassociates.com



The Compliance Officer shall acknowledge the receipt of email within two working days. Further, the Compliance Officer shall, within period of seven working days, address the grievance of the Client and write to the Client in the form of an Action Taken Report (ATR) stating the action taken, and where the grievance is of the nature that can be reputative, the steps taken so that the grievance does not arise again.

Where the Client is not satisfied with the ATR of the Compliance Officer, then the Client shall write to the Principal Officer of the Portfolio Manager either at the address specified above or write email to nitinaggarwal@clientassociates.com. The timelines specified for the Compliance Officer relating to acknowledge and the timelines for writing to the Client in the form of ATR shall be applicable to the Principal Officer also.

In the event the investor does not get a response from the Portfolio Manager, or not satisfied with the response provided by the Portfolio Manager, he / she may approach SEBI to address complaints against the Portfolio Managers, registered with it. The complaint has to be in SEBI Complaints Redress System (SCORES) at <https://scores.gov.in/scores/Welcome.html> .

In the event of a dis-agreement, dispute, difference, claim, question whatsoever between the Client and the Portfolio Manager and / or their respective representatives, the same shall be submitted to and settled by a sole arbitrator under the provisions of the Arbitration and Conciliation Act, 1996. The Sole arbitrator shall be appointed by the board of the Portfolio Manager, and the arbitration proceedings shall be held at Gurgaon or such other place as the Portfolio Manager thinks fit. The rules of the arbitration shall be approved by board of directors of the Portfolio Manager which shall be provided to the Client upon request. The expenses of the arbitration shall be shared by both parties.

For Pioneer Client Associates Private Limited

| Sr. No. | Name of directors | Signature |
|---------|-------------------|--|
| 1. | Himanshu Kohli |  |
| 2. | Rohit Sarin |  |

Date: 12th December 2024

Place: Gurgaon