



**QRC**  
INVESTMENT  
ADVISORS

## **Investor Charter in Respect of Portfolio Management Services**

### **Vision:**

To execute a successful investment strategy for our clients that is agnostic to market capitalization and benchmarks in a conservative manner that protects downside and results in a steady growth of wealth over the long term.

### **Mission:**

To ensure that the PMS industry provides a viable investment avenue for wealth creation by adopting high levels of skill, integrity, transparency, and accountability.

### **B. Vision and Mission Statements for investors**

- a. appropriate risk profiling of investors.
- b. to provide Disclosure Document to investors.
- c. executing the PMS agreement.
- d. Making investment decisions on behalf of investors (discretionary) or investment decisions taken at the discretion of the Investor (non-discretionary) or advising investors regarding their investment decisions (advisory), as the case may be.

### **C. Details of services provided to investors :-**

#### **i. Discretionary & Non-Discretionary Portfolio Management Services (PMS):-**

Under this service the Portfolio Manager shall have the sole and absolute discretion to invest the Client's Assets and Funds in any type of Securities as per the executed PMS Agreement and make such changes in the investments and invest some or all of the Client's funds in such manner and in such markets as it deems fit and would benefit the Client. The Securities invested / disinvested by the Portfolio Manager for Clients in the same Product/scheme may differ from Client to Client. The Portfolio Manager's decision (taken in good faith) in deployment of the Clients' account is absolute and final and cannot be called in question or be open to review at time during the currency of the agreement or any time thereafter except on the ground 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. Under the Non-Discretionary Portfolio Management service, investment decisions taken at the discretion of the Investor. The minimum size of the portfolio under the Discretionary and/ or Non-Discretionary Funds

Management Service should be Rs.50 lakhs as per the current SEBI Regulations. However, the PMS provider reserves the right to prescribe a higher threshold product-wise or in any other manner at its sole discretion.

ii. Advisory Services:-

The Portfolio client is given purely advisory services (without any back-office responsibility for trade execution, custody of securities or accounting functions) as stipulated under SEBI PMS Regulations and in accordance with the requirement of the client. The Portfolio Manager gives advice to the client regarding investment/disinvestment in Securities. However, discretion lies with the client whether to act upon it or to ignore the advice. The Portfolio Manager will provide advisory portfolio management services, in terms of the SEBI (Portfolio Manager) Regulations, 2020 and SEBI (Investment Advisers) Regulations, 2013, which shall be in the nature of Investment advice and may include advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client. Investment advice shall be for an agreed fee structure and a period agreed and entirely at the client's risk.

iii. Client On-boarding

- a. Ensuring compliance with KYC and AML guidelines.
- b. franking & signing the Power of Attorney to make investment decisions on behalf of the investor.
- c. opening demat account and funding of the same from the investor's verified bank account and/or transfer of securities from verified demat account of the investor and
- d. Mapping the said demat account with Custodian.

iv. Ongoing activities

- a. To provide periodic statements to investors as provided under the PMS Regulations 2020 and other SEBI notifications and circulars ("PMS Regulations") and
- b. Providing each client an audited account statement on an annual basis which includes all the details as required under the PMS Regulations.

v. Fees and Expenses

Charging and disclosure of appropriate fees & expenses in accordance with the PMS Regulations.

vi. Closure and Termination

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

vii. Grievance Redressal

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

Timelines of the services provided to investors are as follows:

| Sr. No. | Service / Activity   | Timeline  |
|---------|--|---|
| 1       | Opening of PMS account (including demat account) for residents.  | 7 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.  |
| 2       | Opening of PMS account (including demat account) for non-individual clients.                                 | 14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable. |
| 3       | Opening of PMS account (including demat account, bank account and trading account) for non-resident clients. | 14 days from receipt of all requisite documents from the client, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable. |
| 4       | Registration of nominee in PMS account and demat account.  | Registration of nominee should happen along with account opening; therefore turnaround time should be same as account opening turnaround time.  |
| 5       | Modification of nominee in PMS account and demat account.  | 10 days from receipt of requisite nominee modification form, subject to review of the documents for accuracy and completeness by portfolio manager and allied third party service providers as may be applicable.     |
| 6       | Uploading of PMS account in KRA and CKYC database.   | 10 days from date of account opening (Portfolio Manager may rely on the custodian for updating the same).   |
| 7       | Whether portfolio manager is registered with SEBI, then SEBI registration number.                            | At the time of client signing the agreement; this information should be a part of the account opening form and disclosure document.   |
| 8       | Disclosure about latest networth of portfolio manager and total AUM.   | Disclosure of portfolio manager's total AUM – monthly to SEBI<br>Disclosure of latest networth should be done in the disclosure document whenever there are any material changes.                                     |

| <b>Sr. No.</b> | <b>Service / Activity</b>  | <b>Timeline</b>   |
|----------------|--|---|
| 9              | Intimation of type of PMS account – discretionary.   | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 10             | Intimation of type of PMS account – non discretionary.   | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 11             | Intimation to client what discretionary account entails and powers that can be exercised by portfolio manager.     | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 12             | Intimation to client what non-discretionary account entails and powers that can be exercised by portfolio manager. | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 13             | Copy of executed PMS agreement sent to client.   | Within 3 days of client request.  |
| 14             | Frequency of disclosures of available eligible funds.  | All details regarding client portfolios should be shared quarterly (point 26).                              |
| 15             | Issuance of funds and securities balance statements held by client.  | This data should be shared on a quarterly basis or upon client request.                                     |
| 16             | Intimation of name and demat account number of custodian for PMS account.  | Within 3 days of PMS and demat account opening.   |
| 17             | Conditions of termination of contract.   | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 18             | Intimation regarding PMS fees and modes of payment or frequency of deduction.                                      | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 19             | POA taken copy providing to client.  | Within 3 days of client request.  |
| 20             | Intimation to client about what all transactions can portfolio manager do using PoA.                               | At the time of client signing the agreement; this information should be a part of the account opening form. |
| 21             | Frequency of providing audited reports to clients  | Annual  |
| 22             | Explanation of risks involved in investment.   | At the time of client signing the agreement; this information should be a part of the account opening form. |

| Sr. No. | Service / Activity  | Timeline  |
|---------|---|---|
| 23      | Intimation of tenure of portfolio investments.  | Indicative tenure should be disclosed at the time of client signing the agreement; this information should be a part of the account opening form.   |
| 24      | Intimation clearly providing restrictions imposed by the investor on portfolio manager. | Negative list of securities should be taken from the client at the time of client signing the agreement; this information should be a part of the account opening form.                               |
| 25      | Intimation regarding settling of client funds and securities.                           | Settlement of funds and securities is done by the Custodian. The details of clients' funds and securities should be sent to the clients in the prescribed format not later than on a quarterly basis. |
| 26      | Frequency of intimation of transactions undertaken in portfolio account.                | Not later than on a quarterly basis or upon clients' request.   |
| 27      | Intimation regarding conflict of interest in any transaction.                           | The portfolio manager should provide details of related party transactions and conflict of interest in the Disclosure Document which should be always available on website of portfolio manager.      |
| 28      | Timeline for providing disclosure document to investor.                                 | The latest disclosure document should be provided to investors prior to account opening and the latest disclosure documents should be available on website of portfolio manager at all times.         |
| 29      | Intimation to investor about details of bank accounts where client funds are kept.      | Within 3 days of PMS and demat account  |
| 30      | Redressal of investor grievances.   | Within 21 days, subject to all the information required to redress the complaint is provided by the complainant to the portfolio manager  |

**Notes:** The number of days in the above timelines indicate clear working days.

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

Every PMS provider needs to register itself on SEBI SCORES (SEBI Complaint Redress System) mandatorily. SCORES is a centralised online complaint resolution system through which the complainant can take up his grievance against the PMS provider and subsequently view its status. ( <https://scores.gov.in/scores/Welcome.html> )

2. The details such as the name, address and telephone number of the investor relations officer of the PMS provider who attends to the investor queries and complaint should be provided in the PMS Disclosure document.

3. The grievance redressal and dispute mechanism should be mentioned in the Disclosure Document.

The Portfolio Manager shall redress investor grievances promptly but not later than twenty-one calendar days from the date of receipt of the grievance and in such manner as may be specified by the Board.

4. Investors can approach SEBI for redressal of their complaints. On receipt of complaints, SEBI takes up the matter with the concerned PMS provider and follows up with them.

5. Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.

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

1. Check registration status of the intermediary from SEBI website before availing services.

2. Submission of KYC documents and application form in a timely manner with signatures in appropriate places and with requisite supporting documents.

3. Read carefully terms and conditions of the agreement before signing the same.

4. Thorough study of the Disclosure Documents of the PMS to accurately understand the risks entailed by the said investment in PMS.

5. Accurate and sincere answers given to the questions asked in the 'Risk Questionnaire' shall help the PMS provider properly assess the risk profile of the investor.

6. Thorough study of the quarterly statements sent by the PMS provider to the investor intimating him about the portfolio's absolute and relative performance, its constituents and its risk profile.

7. Ensure providing complete details of negative list of securities as part of freeze instructions at the time of entering into PMS agreement and every time thereafter for changes, if any, in a timely manner.

8. To update the PMS provider in case of any change in the KYC documents and personal details and to provide the updated KYC along with the required proof.