

FORM C

Securities & Exchange Board of India (Portfolio Managers) Regulations, 2020 (Regulation 22)

Name of the Portfolio Manager : ClubMillionaire Financial Services Private Limited
Address : Registered Office : 2nd Floor, Butler's Business Centre,
KC Abraham Masters Road, Panampilly Nagar, Cochin, 682036,
Kerala, India
Corporate Office : 504, Madhava, Near Family Court, Bandra
Kurla Complex (BKC), Mumbai , 400051, Maharashtra, India
Phone : +91 484 401 6969 / +91 22 4012 6363
E-mail : info@clubmillionaire.in

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 through the Portfolio Management;
3. The Disclosure Document has been duly certified by an independent Chartered Accountant on October 29, 2021.

The details of the Chartered Accountant are as follows:

Name of the Firm : JDNT & ASSOCIATES
Associates Partner : Sobin Mathew, FCA
Membership No. : 221016
Address : JDNT Tower, Surabhi Enclave, S A Road, Kochi – 682016, Kerala, India
Telephone No. : 0484 - 2321669

The copy of the certificate is enclosed here with

For ClubMillionaire Financial Services Private Limited

Paresh G Sangani
Managing Director and Principal Officer

Date : October 29, 2021
Place: Kochi

DISCLOSURE DOCUMENT FOR PORTFOLIO MANAGEMENT

September 30, 2021

This Document has been filed with the Securities and Exchange Board of India (SEBI) along with the certificate in the specified format in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

The purpose of this Disclosure Document is to provide essential information about the portfolio management services of ClubMillionaire Financial Services Private Limited in a manner to assist and enable investors in making an informed decision for engaging ClubMillionaire Financial Services Private Limited as a Portfolio Manager.

This document gives necessary information about ClubMillionaire Financial Services Private Limited as a 'Portfolio Manager' required by you as an investor before investing. You are advised to read this document and retain this document for future reference.

The details of Principal Officer of **ClubMillionaire Financial Services Private Limited** are as follows:

| | | |
|-------------------------------|---|--|
| Name of the Principal Officer | : | Mr. Paresh G Sangani |
| Address | : | 2nd Floor, Butler's Business Centre, KC Abraham Masters Road, Panampilly Nagar, Cochin, 682036, Kerala, India. |
| Phone number | : | +91 484 401 6969 |
| E-mail address | : | info@clubmillionaire.in |

Corporate Details of **ClubMillionaire Financial Services Private Limited**

| | | |
|--------------|---|---|
| Website | : | https://www.clubmillionaire.in/ |
| CIN | : | U67120KL2007PTC021484 |
| PMS SEBI Reg | : | INP000005380 |

The Disclosure Document is dated October 29, 2021.

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I. Disclaimer

The details provided in this document have been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 2020 as amended till date, and filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of this Document.

The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about and to observe any such restrictions.

II. Definitions

In this Disclosure Document, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them:

1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
2. **“Bank Account”** means one or more accounts opened, maintained and operated by the Portfolio Manager, in the name of the client, with any scheduled commercial bank.
3. **“Board or SEBI”** means the Securities and Exchange Board of India established under sub-section 3 of the -Securities and Exchange Board of India Act, 1992.
4. **“Client(s) / Investor(s)”** means any person who enters into an agreement with the Portfolio Manager for availing the services of portfolio management as provided by the Portfolio Manager.
5. **“Custodian”** means any India based Custodian who is registered with SEBI as a Custodian and holds a valid license to operate as a Custodian of securities in India.
6. **“Depository Account”** means an account of the Client or for the Client with an entity registered as a depository participant under the SEBI (Depositories and Participants) Regulations, 1996.
7. **“Disclosure Document”** means this document, which has been prepared with the objective of providing essential information about the PMS of ClubMillionaire Financial Services Private Limited, to enable investors in making an informed decision to engage ClubMillionaire Financial Services Private Limited to manage their portfolio.
8. **“Discretionary Portfolio Management Services”** means the portfolio management services rendered to the client, by the Portfolio Manager on the terms and conditions contained in an agreement, where under, the Portfolio Manager exercises any degree of discretion in investments or management of assets of the client.
9. **“Financial Year”** means the year starting from April 1 and ending on March 31 in the following year.
10. **“Funds”** means the moneys placed by the Client with the Portfolio Manager and shall include all accretions thereto.
11. **“Group Company”** means a company under the same management or control as the Portfolio Manager.
12. **“HUF”** shall mean the Hindu undivided family as defined in Section 2(31) of the Income Tax Act, 1961
13. **“Initial Corpus”** means the value of the Funds and the market value of Securities brought in by the Client and accepted by the Portfolio Manager at the time of entering into an agreement with the Portfolio Manager to avail its portfolio management services.
14. **“Portfolio”** means the total holdings of all investments, Securities and Funds belonging to the Client.
15. **“Portfolio Manager”** means ClubMillionaire Financial Services Private Limited, a company

Club Millionaire Financial Services Pvt. Ltd.

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- incorporated under the Companies Act, 2013 and registered with SEBI as a portfolio manager.
16. **“PMS”** shall mean Portfolio Management Services offered by ClubMillionaire Financial Services Private Limited.
 17. **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.
 18. **“Rules”** mean the SEBI (Portfolio Managers) Rules, 2020, as may be amended from time to time.
 19. **“NRI”** shall mean Non-resident Indian as defined in Section 2 (30) of the Income Tax Act, 1961.
 20. **“NAV”** shall mean Net Asset Value, which is the price; that the investment would ordinarily fetch on sale in the open market on the relevant date, less any receivables and fees due.
 21. **“Non-Discretionary Portfolio Management Services”** means the portfolio management services rendered to the Client by the Portfolio Manager on the terms and conditions contained in an Agreement, where the Portfolio Manager invests in a Portfolio of Securities for and on behalf of the Client with the consent of the Client.
 22. **“Securities”** includes
 - (i) securities as defined under the Securities Contracts (Regulation) Act, 1956
 - (ii) shares, scrip’s, stocks, bonds, warrants, convertible and non-convertible debentures, fixed return investments, equity linked instruments, negotiable instruments, deposits, units issued by the Unit Trust of India and/or by any mutual funds, mortgage backed or other asset backed securities, derivatives, derivatives instruments, options, futures, foreign currency commitments, hedges, swaps or netting off and any other securities issued by any company or other body corporate, trust, any entity, the Central Government, State Government or any local or statutory authority and all money rights or property that may at any time be offered or accrue (whether by rights, bonus, redemption, preference, option or otherwise) and whether in physical or dematerialised form in respect of any of the foregoing or evidencing or representing rights or interest therein; and
 - (iii) any other instruments or investment (including any borrowing or lending of securities) as may be permitted by applicable law, from time to time.
 23. **“Scheduled Commercial Bank”** means any bank included in the second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934).

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted according to their usage in the Regulations and the SEBI Act, 1992. The definitions are not exhaustive. They shall also carry the meaning assigned to them in the Regulations governing Portfolio Management Services.

III. Description

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

Clubmillionaire Financial Services Pvt. Ltd., (CM) was founded on November 30, 2007, by Paresh Sangani and Shivani Shah. With the purpose of providing Portfolio Management Services, as defined by SEBI regulations, the company applied for the license in the year of 2016. An approval was received on April 13, 2017, to practice the business of Portfolio Management, as defined by SEBI (Portfolio Managers) Regulation, 1993.

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2. Key Management Personnel of the Portfolio Manager and their background

The key personnel at CM are Paresh G Sangani, Shivani Shah Sangani, Navin Goyal (name changed from Nandkishore Agarwala), Anu R Kaimal, Jerry George, Abdul Riaz, and Latha Menon. The management team is well-rounded with a combined experience of about 100 years in the areas of investment research, operations, administration, compliance, client relations and client services. Further, the key personnel are ably supported by a team of twenty-six associates located across Kochi and Mumbai.

Paresh is the Founder Chairman, Managing Director and Chief Investment Officer. He holds a Post Graduate Diploma in Management (PGDM) with specialization in Marketing & Finance from Symbiosis Centre for Management & Human Resource Development, Pune, India. Subsequently, he went on to pursue his Executive Education Program in Value Investing from Columbia University, New York, USA. He has an experience of over 17 years in investment research and 20 years in managing businesses.

Shivani is the Co- Founder and Whole time Director. She is qualified as a Post Graduate in Advertising and Public Relations from KC College of Management Studies, Mumbai, India. She has over 15 years of business experience in administration and operations.

Navin joined the firm in 2017 as a Research Analyst. He is qualified as a Chartered Accountant, CFA (US) & FRM. He scouts, analyses, compiles and updates all the investment research data periodically.

Anu is the Vice President for Compliance, manages the regulatory compliance and oversees the internal risk and audit. She is qualified as a Post Graduate from Mahatma Gandhi University, Kerala. She has got 15 years of experience in financial market and has expertise in SEBI Intermediary compliance and operations.

Jerry is the Vice President for Operation, manages the daily operations of the Company. He is a qualified CFA (US) and MFA, ICAI India. He has 16 years of work experience in related areas and was earlier associated with Cochin Stock Brokers Ltd and Moat Financial Services Ltd.

Abdul is the President for Client Relations, leads the client relations team and manages key clientele. He has 16 years of similar experience with earlier stint in Axis Bank. He is a post graduate from M S Ramaiah Institute of Management, Bangalore and has a dual specialization in marketing and banking.

Latha is the President for Client Services, leads the team managing the client services delivery, i.e., documentation, onboarding, query resolution etc., in an efficient and timely manner. She has over 11 years of experience in management, administration and operations. She is a graduate from Calicut University, India.

In addition to the above, the firm is supported by an operations team that executes and monitors trades, settlements, accounting and reporting. Further, we have perpetual licenses for a cloud-based, state-of-the-art fund accounting and reporting software, Wealth Spectrum. All the clients are provided with a Mobile-app, Tablet-App and Online portal credentials to view and manage their investments, anywhere and anytime.

The client accounts are further managed by multiple SEBI-registered custodians. They manage the escrow bank accounts, trade settlements with the individual Exchanges directly and maintain the investment holdings in their depository accounts on behalf of the clientele.

We have subscription to Microsoft Office 365 for all the associates to manage the email services, internal documents, online meetings, feedback forms etc and ensure client queries and communications are handled

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in a timely and efficient manner. A multi-user Tally software is used to manage internal accounts and ensures the company's financials properly recorded leading to smooth settlement of client invoices and associate salaries.

We have subscribed to multiple research databases, business magazines and journals, financial websites etc to access present and historic company information including their financials, results, conference call transcripts, management interviews etc to make informed decisions from time to time.

3. Group Companies

Top 10 Group Companies on turnover basis is as follows:

| Sr. No. | Name of the Group Companies |
|---------|---|
| 1 | Joshua Investments, is a registered partnership firm; that manages its proprietary investments; and provides consulting services. |

4. Services being offered

The Portfolio Manager offers the following three types of services:

- i. Discretionary Services:** The Portfolio Manager exercises its discretion in managing the Funds/Securities in the Client's portfolio. Subject to such investment objective and restrictions as may be contained in the agreement with the Client, the Portfolio Manager will have complete discretion to manage, invest and re- invest the Client's account, including to buy, sell or otherwise deal in any Securities, as permissible under the Regulations, effect transactions in such manner and in such markets, as it deems fit, and take day to day decisions in respect of the portfolio of the Client. The Client may, under these services, authorize or restrict the Portfolio Manager to invest the Client's Portfolio in specific financial instruments or securities or a mix of specific instruments or securities. The Portfolio Manager, may at its discretion, adhere to the views of the Client pertaining to the investment/ disinvestment decisions of the Client's Portfolio. The Portfolio Manager's decision in deployment of the Client's Portfolio is absolute and final and is not open to review or question by the Client during the currency of the agreement or at any time thereafter, except on the grounds of malafide, fraud, conflict of interest or gross negligence. The Portfolio Manager shall send periodical statements to the Client.
- ii. Non-Discretionary Services:** Under the Non-Discretionary Portfolio Management Services, the Portfolio of the Client shall be managed in consultation with the Client. Under this service the Assets will be managed as per express prior instructions issued from the Client from time to time. The Client will have complete discretion to decide on the investment (Stock Quantity and Price or amount). The Portfolio Manager inter-alia manages transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the client entirely at client's risk.
- iii. Advisory Services:** CM will offer Clients Advisory Services in relation to the Clients' Portfolio. Under these services, the Portfolio Manager advises the Client on investments in general or any specific advice required by the clients and agreed upon in the client agreement. The Portfolio Manager will render the best possible advice to the client having regard to the client's needs and the environment, and his own

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professional skills. The same can be binding or non-binding in nature or in such terms as mentioned in the client agreement. For such services, the Portfolio Manager charges the client a fee for services rendered mentioned in the client agreement. The advice may be either general or specific in nature and may pertain to a particular portfolio. Entry/exit timing, execution and settlement are solely the client's responsibility.

IV. Penalties, pending litigation or proceedings, findings of inspection or investigations for which action has been taken or initiated by any regulatory authority.

| | | |
|-----|---|----------------|
| (a) | 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 |
| (b) | The nature of penalty/direction. | Not Applicable |
| (c) | Penalties imposed for any economic offence and/or for violation of any securities laws. | None |
| (d) | Any pending material litigation/legal proceedings against the portfolio manager/key personnel with separate disclosure regarding pending criminal cases, if any. | None |
| (e) | Any deficiency in the systems and operations of the portfolio manager observed by the Board or any regulatory agency. | None |
| (f) | 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 connected with the Portfolio Manager or its Directors, Principal Officer or employee, under the Act or Rules or Regulations made thereunder. | None |

V. Services Offered – The All-Star Portfolio

1. Investment objectives and Policies

Our stated client objectives are three-fold:

1. Protect Capital
2. Beat the fixed deposit rate of return &
3. Out-perform the benchmark Equity Index over a long-term period of 3-5 years.

And we hope to achieve it by 'focussing' on:

- Highly Profitable Consumer Franchises (incl. Credit Rating Co's)
- Passionate and Ethical Managements with wise capital allocation
- Bought at Fair Valuations

Consistent with the objective and subject to Regulations, the corpus will be invested in any of the following Securities:

- Securities listed or traded on a recognized stock exchange.
- Units of Mutual Funds.
- Money market instruments, includes commercial paper, trade bill, treasury bills, certificate of deposit and usance bills.

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- Unlisted securities (upto 25% or any other % specified by SEBI, of the assets under management for non-discretionary or advisory services)
- Other securities as specified by Board from time to time, on behalf of their clients.

Minimum investment Amount: Rs. 50 Lakhs or any amount not less than the statutory minimum as may be specified by the SEBI from time to time.

2. Investment Approach

Based on the stated clients objective, risk tolerance, time period, and other relevant factors, the Portfolio of the Clients would be created and managed with the **'The All-Star Portfolio'** - Services Offered by the Portfolio Manager.

The Securities may be acquired through initial Public Offerings (IPOs), secondary market operations, private placement, rights offer or negotiated deals and including transactions for the purpose of Portfolio creation, managing, hedging, and rebalancing.

In a situation where we do not find sufficiently attractive opportunities, the excess funds would be invested in Bank deposits or Money market / bond Mutual Funds. We expect to create a varied but concentrated portfolio of high-quality companies.

The Benchmark Index will be 'Nifty 50'.

3. Policies for investments in Group Companies of the Portfolio Manager

There are no listed group companies. Therefore, we do not expect to invest in any of Club Millionaire's group / sister / associate concerns.

VI. Risk Factors

1. The Portfolio Manager does not assure that the objectives of 'All-Star Portfolio' - CM Investment Approach will be achieved and investors are not being offered any guaranteed or assured returns. Investments through Portfolio Management Services are subject to market risks. The investments may not be suitable to all the investors.
2. Past performance of the Portfolio Manager does not indicate the future performance of the 'All-Star Portfolio' - CM Investment Approach.
3. The Portfolio Manager and the Company has no previous experience/track record as a Portfolio Manager prior to Apr 2017. Although the Company has no previous experience of portfolio management, the Principal Officer and other key management personnel of the Company have rich individual experience in investment management.
4. Investments in equity may be adversely affected by the performance of companies, changes in the economy, government policy, the market place, credit ratings and industry specific factors.
5. Debt and other fixed income investments may be subject to changes in interest rates and/or liquidity, credit and reinvestment risks. As with all debt securities, changes in interest rates may affect valuation of the Portfolios as the prices of securities generally increase as interest rates declines and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short- term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible

- movements in the valuations of Portfolios.
6. Liquidity in the investments and performance of portfolio may be affected by trading volumes, settlement periods and transfer procedures.
 7. 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.
 8. Appreciation in 'All-Star Portfolio' - CM Investment Strategy can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance of 'All-Star Portfolio' - CM Investment Approach may also be affected due to any other asset allocation factors.
 9. When investments are restricted to a particular or few sector(s) or few companies under 'All-Star Portfolio' - CM Investment Approach; there arises a risk called non-diversification or concentration risk. If the sector(s), for any reason, fails to perform, the portfolio value will be adversely affected.
 10. Each portfolio will be exposed to various risks depending on the investment objective, the asset allocation. The investment objective, the asset allocation may differ from client to client. However, generally, highly concentrated portfolios with lesser number of stocks will be more volatile than a portfolio with a larger number of stocks.
 11. The values of the portfolio may be affected by changes in the general market conditions and factors and forces affecting the capital markets, in particular, level of interest rates, various market related factors, trading volumes, settlement periods, transfer procedures, currency exchange rates, foreign investments, changes in government policies, taxation, political, economic and other developments, closure of stock exchanges, etc.
 12. Risk may also arise due to an inherent nature/risk in the stock markets such as, volatility, market scams, circular trading, price rigging, liquidity changes, de-listing of Securities or market closure, relatively small number of scrip's accounting for a large proportion of trading volume among others.
 13. Investment in securities, whether on the basis of fundamental or technical analysis or otherwise, is subject to market risks which include price fluctuations, impact cost, basis risk etc.
 14. The Client Portfolio may be affected by settlement periods and transfer procedures.
 15. Any act, omission or commission of the Portfolio Manager under the Agreement would be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission or failure to act save and except in cases of gross negligence, willful default and/or fraud of the Portfolio Manager.
 16. The names of 'All-Stars' Portfolio - CM Investment Strategy do not in any manner indicate their prospectus or returns, or does not guarantee the performance or return of the plan.
 17. Performance of the Portfolios may be impacted as a result of specific investment restrictions provided by the client.

VII. Client Representation

1. Fund management business details (Discretionary):

(Amount in Crores)

| Category of Clients | No. of Clients | Funds Managed | Discretionary |
|-------------------------------------|----------------|---------------|---------------|
| Associates / Group Companies | | | |
| F.Y 2021-2022 (upto Sep 2021) | 9 | 186.27 | Discretionary |
| F.Y 2020-2021 | 9 | 99.90 | Discretionary |
| F.Y 2019-2020 | 9 | 58.87 | Discretionary |
| F.Y 2018-2019 | 7 | 44.70 | Discretionary |

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| | | | |
|--------------------------------|-----|----------|---------------|
| F.Y 2017-2018 | N.A | N.A | N.A |
| Others | | | |
| F.Y 2021-2022 (upto Sep 2021) | 788 | 2203.34 | Discretionary |
| F.Y 2020-2021 | 698 | 1,698.20 | Discretionary |
| F.Y 2019-2020 | 614 | 842.67 | Discretionary |
| F.Y 2018-2019 | 335 | 523.39 | Discretionary |
| F.Y 2017-2018 | 131 | 230.22 | Discretionary |

2. Fund management business details (Non-Discretionary):

(Amount in Crores)

| Category of Clients | No. of Clients | Funds Managed | Non- Discretionary |
|-------------------------------------|----------------|---------------|--------------------|
| Associates / Group Companies | | | |
| F.Y 2021-2022 (upto Sep 2021) | 0 | 0 | Non- Discretionary |
| F.Y 2020-2021 | 2 | 0.01 | Non- Discretionary |
| F.Y 2019-2020 | 3 | 0.01 | Non- Discretionary |
| F.Y 2018-2019 | N.A | N.A | N.A |
| F.Y 2017-2018 | N.A | N.A | N.A |
| Others | | | |
| F.Y 2021-2022 (upto Sep 2021) | 6 | 8.98 | Non- Discretionary |
| F.Y 2020-2021 | 5 | 8.50 | Non- Discretionary |
| F.Y 2019-2020 | 5 | 8.28 | Non- Discretionary |
| F.Y 2018-2019 | 1 | 9.20 | Non- Discretionary |
| F.Y 2017-2018 | N.A | N.A | N.A |

ii) Related Party Disclosure – Attached as an Annexure - 1

CM will make best efforts to manage investments in the best interest of the client. CM shall not benefit from individual client account in any other manner apart from the management and performance linked fee charged to the client.

VIII. Financial Performance of the Portfolio Manager

(Amount in lakhs)

| Particulars | 31-03-2021 (Audited) | 31-03-2020 (Audited) | 31-03-2019 (Audited) |
|--------------------------|-------------------------|-------------------------|-------------------------|
| Sources of Funds: | | | |
| Shareholder's Funds | 6.24 | 6.24 | 6.24 |
| Loan Funds | 184.30 | 5.91 | 95.67 |
| Reserves and Surplus | 5425.51 | 39,00.57 | 19,47.51 |
| Total Liabilities | 5616.05 | 39,12.72 | 20,49.42 |

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| Application of Funds: | | | |
|--|----------------|-----------------|-----------------|
| Net Fixed Assets | 17.79 | 20.72 | 19.84 |
| Investments | 4888.53 | 37,67.15 | 20,56.52 |
| Non-Current Assets | 42.32 | 19.38 | 20.74 |
| Current Assets | 1150.74 | 6,93.44 | 1,22.39 |
| Less: Current Liabilities and provisions | 493.07 | 6,06.86 | 1,76.39 |
| Deferred Tax Asset | 9.73 | 18.89 | 6.32 |
| Total Assets | 5616.05 | 39,12.72 | 20,49.42 |

| Abstract of Profit & Loss Account: | (Amount in Lakhs) | | |
|---|----------------------------------|----------------------------------|----------------------------------|
| | 31-03-2021 (Audited) | 31-03-2020 (Audited) | 31-03-2019 (Audited) |
| Total Income | 2405.14 | 30,30.32 | 10,16.67 |
| Total Expenses before depreciation | 467.56 | 4,99.21 | 2,13.94 |
| Profit/(Loss) before Depreciation & Tax | 1937.58 | 25,31.10 | 8,02.74 |
| Depreciation | 21.15 | 8.99 | 8.84 |
| Profit/(Loss) before Tax | 1916.44 | 25,22.12 | 7,93.90 |
| Provision for Tax | 341.49 | 5,69.06 | 1,72.91 |
| Profit/(Loss) after Tax | 1574.94 | 19,53.06 | 6,20.99 |

IX. Portfolio Management Performance

Discretionary Portfolio Management Services Performance of the Portfolio Manager for last 3 Financial Years:

| Particulars | 'All-Star Portfolio' Returns (%) | All-Star Value | 'Nifty 50' Benchmark Returns (%) | Nifty Value | No of Investors | AUM (Crores) |
|--------------------------|----------------------------------|----------------|----------------------------------|-------------|-----------------|--------------|
| Starting Amount (Rs.) | | 100.00 | | 100 | | |
| FY 17-18 (from Jun 2017) | 1.83% | 101.83 | 5.12% | 105 | 131 | 230.22 |
| FY 18-19 | 31.05% | 133.45 | 14.93% | 120 | 342 | 568.09 |
| FY 19-20 | -4.70% | 127.18 | -26.03% | 89 | 623 | 901.53 |
| FY 20-21 | 68.44% | 214.22 | 70.87% | 152 | 707 | 1798.10 |
| FY 21-22 (upto Sep 2021) | 18.96% | 254.84 | 19.93% | 183 | 796 | 2389.61 |
| CAGR Total 4.33 Years | 24.11% | | 15.00% | | | |
| Cumulative | 154.83% | | 83.13% | | | |

Note: Table above shows performance of 'The All-Star Portfolio' Service offered by the Portfolio Manager, calculated on TWRR basis.

Club Millionaire Financial Services Pvt. Ltd.

2nd Floor, Butler's Business Centre, 12th Cross Road, Panampilly Nagar Kochi - 682 036, Kerala, India

☎ +91 484 401 6969 ✉ info@clubmillionaire.in 🌐 www.clubmillionaire.in 📄 CIN: U67120KL2007PTC021484

X. Audit Observations

Nil

XI. Nature of expenses

The following are indicative types of expenses. The exact basis of charge relating to each of the following services shall be annexed to the Portfolio Management Services Agreement which will be entered into between the Portfolio Manager and the Client, and the agreements in respect of each of the services availed at the time of execution of such agreements.

The Portfolio Manager typically offers the following fee options to its clients.

1) Performance Fee Option

The fee charged by ClubMillionaire Financial Services Private Limited comes with a certain underlying philosophy. In the event we have not added value to the client, we don't deserve to get paid. Therefore, fees of any form is applicable if and only if the overall portfolio return to client is above the risk free rate of return, which we have defined as 6.5% for the purposes of simplicity for "Performance fee option".

There is fixed annual fee of 0.25% per annum on average Asset under management and performance fee of 20% of the return over and above a hurdle rate of 6.5% pa without catch up. In the event the portfolio return is less than 6.5% pa in a year, the performance fee for the next year will be applicable after the portfolio makes up for the previous year's 6.5% pa threshold and the subsequent year's threshold.

2) Fixed Fee Option

There is fixed annual fee of 1.99% per annum on average Asset under management.

3) Other Expenses

- a. The Custodian and Fund Accounting Charges is 0.02% to 0.0225% per annum of the value of average Asset under management
- b. Depository Fees - The charges pertaining to opening and operation of dematerialized accounts, transfer charges for shares, bonds and units, dematerialisation, rematerialisation and other charges in connection with the operation and management of the Depository Accounts - As may be applicable at actuals
- c. Registrar and Transfer Agent Fee - Charges payable to registrar and transfer agents in connection with effecting transfer of Securities, including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges, etc. - As may be applicable at actuals.
- d. Brokerage is 0.04% to 0.10% of individual transaction value.
- e. Other Transaction costs - like service tax/Goods and Service Tax (GST), securities transaction tax, stamp duty, transaction costs, turnover tax, exit and entry loads on the purchase and sale of shares, stocks, bonds, debt, deposits, units and other financial instruments. - As may be applicable at actuals.
- f. Certification and Professional Charges - Charges payable for outsourced professional services like accounting, taxation and legal services, notarization, etc. for certification, attestation required by bankers, intermediaries and regulatory authorities. - As may be applicable at actuals.

- g. Incidental Expenses - Courier charges, stamp duty, service tax, postal stamps, opening and operation of bank accounts, etc. - As may be applicable at actuals.

CM will not charge any markup on “other expenses” and these will be a complete pass through. Moreover, CM will endeavor to keep the costs bare minimum for the benefit of its clients.

4) The list of approved custodians and Depository Participants, share brokers, fund accountant, involved for Portfolio Management activities is as follows.

i. Custodians and Depository Participants

a) Orbis Financial Corporation Limited

Custodian Registration ID : IN/ CUS/020

DP Registration No : IN-DP-CDSL-491-2008

b) Kotak Mahindra Bank

Custodian Registration ID : IN/CUS/017

DP Registration No : IN-DP-NSDL-23-97

c) Axis Bank

Custodian Registration ID : IN/CUS/019

DP Registration No : IN-DP-498-2020

ii. Share Brokers

a) Muthoot Securities Limited:

SEBI Regn. No : INZ000185238

b) Edelweiss Broking Limited

SEBI Regn. No : INZ000005231

c) Ambit Capital Pvt. Ltd.

SEBI Regn. No : INZ000259334

d) Sharewealth Securities India Ltd

SEBI Regn. No : INZ000176636

e) Motilal Oswal Financial Services Limited

SEBI Regn. No : INZ000176636

f) Bajaj Financial Securities Limited

SEBI Regn. No : INZ000218931

g) Kotak Securities Limited

SEBI Regn. No : INZ000200137

h) Phillip Capital (India) Private Limited
SEBI Regn. No : INZ000169632

i) Axis Capital Limited
SEBI Regn. No : INZ000189931

iii. Bankers

- a) HDFC Bank Ltd
- b) IndusInd Bank Ltd
- c) Kotak Mahindra Bank Ltd
- d) Axis Bank Ltd

The Portfolio Manager may empanel additional service providers as and when the need arises.

XI. Taxation

Clients will be responsible and liable for taxes under the provisions of the Income Tax Act, 1961 for any income generated out of the investment made in the portfolio management scheme. CM will not deduct tax on the capital gains generated out of the investment to be made in the portfolio management scheme. However, this will be subject to any of the provisions of the Income Tax Act, 1961 or the Finance Bill, as applicable. CM shall provide adequate statements to the clients for accounting purpose.

For non-resident clients, the short term Capital Gains tax is deducted at source by the bank.

In view of the individual nature of tax benefits, each prospective client/investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their availing Portfolio management services, in terms of the provisions of the Income-tax Act, 1961. Clients are best advised to take independent opinion from their tax advisors / experts for any income earned from such investments. The Portfolio Manager shall not be responsible for assisting in or completing the fulfillment of the Client's tax obligations. The provisions of the Income Tax Act, 1961 shall apply to the Client and the Portfolio Manager in respect of their individual income.

Details under FATCA/Foreign Tax Laws

Tax regulations require us to collect information about each investor's tax residency. If you have any questions about your tax residency, please contact your tax advisor. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Applicants (Including joint holders, Guardian, POA holder) are required to refer and mandatorily fill/sign off a separate "FATCA declaration form".

Applications without this information /declaration being filled/signed off will be deemed as incomplete and are liable to be rejected. Investors are requested to note that the contents of the information to be provided/declaration in the application form may undergo a change on receipt of communication/guidelines from SEBI.

XII. Accounting Policy

The following accounting policy will be applied for the Portfolio Investments of the Client:

(i) Investments introduced by the client into their respective portfolios are booked at the market value as of the date of introduction into the portfolio.

(ii) Profit or Loss on sale of investments is calculated using the "First In First Out" (FIFO) method of accounting.

(iii) 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. 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.

(iv) The investments under the PMS are made on 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 settlements and custody of assets are handled by a recognized Custodian.

XIII. Investor Services

CM shall ensure timely and prompt redressal of any grievances or dispute with the client.

1. Name, address and telephone number of the investor relations officer who shall attend to the Client's queries and complaints:

Name : Anu R Kaimal
Designation : Compliance Officer
Address : Registered Office : 2nd Floor, Butler's Business Centre, KC Abraham Masters Road,
Panampilly Nagar, Cochin, 682036, Kerala, India
Telephone : +91 484 401 6969
E-mail : info@clubmillionaire.in or Compliance@clubmillionaire.in

2. 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 at the address specified above, or write by email to investorservices@clubmillionaire.in

The Compliance Officer shall acknowledge the receipt of email within 2 working days. Further, the Compliance Officer shall, within a period of seven (7) 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 repetitive, 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 by email to pgs@clubmillionaire.in. The timelines specified for the Compliance Officer relating to acknowledge and the timelines for writing to the Client in the form of an ATR shall be applicable to the Principal Officer also.

In the event the investors do 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 filed in SEBI Complaints Redress System (SCORES) at <http://scores.gov.in/Default.aspx>

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 Kochi or such other place as the Portfolio Manager thinks fit. The rules of arbitration shall be as approved by the 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 the Parties.

For ClubMillionaire Financial Services Private Limited

Mr. Paresh G Sangani
Managing Director and Principal Officer

Ms. Shivani Shah
Director

Date: October 29, 2021

Place: Kochi

Club Millionaire Financial Services Pvt. Ltd.

2nd Floor, Butler's Business Centre, 12th Cross Road, Panampilly Nagar Kochi - 682 036, Kerala, India

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Related Party Disclosure

ANNEXURE 1

(a) List of Related parties

| Party Name | Nature of Relation |
|--------------------|--|
| Paresh Sangani | Managing Director of the company |
| Shivani Shah | Director of the company |
| Joshua Investments | Firm in which directors are interested |

(b) Related party transactions

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Managerial Remuneration | | |
| - Paresh Sangani | 59,50,000 | 39,50,000 |
| - Shivani Shah | 15,68,132 | 14,40,000 |
| Unsecured Borrowings | | |
| - Paresh Sangani | - | 45,88,826 |
| - Shivani Shah | 1,07,00,000 | 47,02,465 |
| -Joshua Investments | 1,00,96,250 | |
| Repayment of Borrowings | | |
| - Paresh Sangani | 5,39,772 | 95,96,031 |
| - Shivani Shah | 22,64,203 | 80,51,334 |

(b) Balance as on the end of the financial year

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| Amounts payable to related parties | | |
| - Paresh Sangani | - | |
| - Shivani Shah | 89,77,362 | 5,41,566 |
| -Joshua Investments | 1,00,96,250 | |
| Amounts receivable from related parties | | |
| - Paresh Sangani | 6,53,632 | 1,13,859.91 |

CERTIFICATE

We have verified the books of accounts and related records maintained by ClubMillionaire Financial Services Private Limited., a SEBI registered portfolio manager bearing the registration number INP000005380 and also the disclosures made by the company in its Disclosure Document for the period ended 30th September 2021 for portfolio management service. The duly initiated disclosure document forms a part and is attached along with the certificate.

On the basis of our verification and information and explanations provided to us, we certify that the disclosures made in the Disclosure Document as required by the Fifth Schedule of the Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020 and the guidelines and directives issued by the Board from time to time are true to the best of our knowledge. Further, the disclosures made in our opinion are fair and adequate for investors to make a well informed decision.

Place: Kochi
Date: 29-10-2021
UDIN: 21221016AAABVI2790



For **JDNT** & ASSOCIATES
CHARTERED ACCOUNTANTS

SOBIN MATHEW, B. Com, FCA
Mem. No.221016 (Partner)
Firm Reg. No. 004405S