



FORTUNA INVESTMENT ADVISORS LLP

DISCLOSURE DOCUMENT

PORTFOLIO MANAGEMENT SERVICES



DISCLOSURE DOCUMENT OF PORTFOLIO MANAGEMENT SERVICES OFFERED BY
FORTUNA INVESTMENT ADVISORS LLP

Key Information and Disclosure Document for Portfolio Management Services provided by FORTUNA INVESTMENT ADVISORS LLP

As per the requirement of Schedule V and Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulation 2020:

- 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 FORTUNA INVESTMENT ADVISORS LLP (as the "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
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IMPORTANT:

Investors should carefully read the entire document before making a decision to invest and should retain it for future reference.

Disclosure Document Dated: 20 Sep 2024





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1. Disclaimer

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (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 this Document.

This document will be placed on the website of the Portfolio Manager www.fortunaadvisors.in for reference.

This document has been prepared solely for information and may not be reproduced or redistributed to any other person.

2. Definitions and Interpretations

2.1 Definitions

The terms used in the Disclosure Document are defined as follows:

- (a) **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992), as may be amended from time to time.
- (b) **“Accreditation Agency”** means a subsidiary of a recognized stock exchange or a subsidiary of a depository or any other entity as may be specified by the SEBI from time to time.
- (c) **“Accredited Investor”** means any person who fulfils the eligibility criteria as specified by SEBI pursuant to circular dated 26 August 2021 on ‘Modalities for implementation of the framework for Accredited Investors’ (SEBI/HO/IMD/IMD-I/DF9/P/CIR/2021/620), as may be amended from time to time, and is granted a certificate of accreditation by an Accreditation Agency.
- (d) **“Agreement”** means Discretionary Portfolio Investment Management Agreement and/or Non-Discretionary Portfolio Investment Management Agreement and/or Advisory Agreement, as applicable, executed between the Portfolio Manager and the Client as amended, modified, supplemented, or restated from time to time together with all annexures, schedules, and exhibits, if any.



- (e) **“Advisory Services”** means advising on the portfolio strategy, investment, and divestment of individual Securities in the Client’s Portfolio, entirely at the Client’s risk, in terms of the Regulations and the Agreement.
- (f) **“Board”** means the Securities and Exchange Board of India.
- (g) **“Client”** or **“Investor”** means a Person that enters into an Agreement for availing services offered by the Portfolio Manager.
- (h) **“Custodian(s)”** means an entity registered with the SEBI as a custodian under applicable law and appointed by the Portfolio Manager, from time to time, primarily for custody of Securities of the Client.
- (i) **“Disclosure Document”** means this disclosure document issued by the Portfolio Manager for offering services stated hereunder, prepared in terms of Schedule V of the Regulations as amended from time to time.
- (j) **“Discretionary Portfolio Management Services”** or **“Discretionary PMS”** means the portfolio management services rendered to the Client, by the Portfolio Manager on the terms and conditions contained in the Portfolio Investment Management agreement, wherein the Portfolio Manager exercises or may exercise, any degree of discretion as to the investment of funds or management of the portfolio of Securities of the Client.
- (k) **“Foreign Portfolio Investor”** or **“FPI”** means a person registered with SEBI as a Foreign Portfolio Investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.
- (l) **“Financial Year”** means the period of 12 (twelve) months starting from April 1 to March 31 the following year.
- (m) **“Funds”** means the money and / or securities placed by the Client with the Portfolio Manager and any accretions thereto.
- (n) **“Investment Approach”** means any of the current investment approaches or such investment approach that may be introduced at any time in the future by the Portfolio Manager.
- (o) **“Large Value Accredited Investor”** means an Accredited Investor who has entered into an Agreement with the Portfolio Manager for a minimum investment amount of ten crore rupees.



- (p) **“Non-discretionary Portfolio Management Services”** or **“Non-Discretionary PMS”** means portfolio management services under which the Portfolio Manager, subject to express prior instructions issued by the Client from time to time in writing or e-mail, invests in any Securities in respect of the Client’s account entirely at the Client’s risk.
- (q) **“NRI”** or **“Non-Resident Indian”** means an individual resident outside India who is a citizen of India.
- (r) **“Parties”** means the Portfolio Manager and the Client; and **“Party”** shall be construed accordingly.
- (s) **“Person”** includes any individual, partners in partnership, central or state government, company, body corporate, cooperative society, partnership firm, limited liability partnership, corporation, trust, society, Hindu Undivided Family or any other body of persons, whether incorporated or not.
- (t) **“Portfolio”** means the total holdings of Securities belonging to any Person.
- (u) **“Portfolio Management Services”** means the Discretionary Portfolio Management Services or Non-Discretionary Portfolio Management Services or Advisory Services, as the context may be.
- (v) **“Regulations”** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020, as amended from time to time, and where applicable, Chapter III of SEBI (Investment Advisers) Regulations, 2013, as amended from time to time.
- (w) **“SEBI”** means the Securities and Exchange Board of India established under sub-section (1) of Section 3 of the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- (x) **“Securities”** includes: -
 - i. “Securities” as defined under the Securities Contracts (Regulation) Act, 1956;
 - ii. shares, scrips, stocks, bonds, warrants, convertible and non-convertible debentures/debenture stocks and other marketable securities of a like nature, fixed return investments, equity linked instruments including derivatives, negotiable instruments, term deposits, money market instruments including commercial paper, certificates of deposit etc., units issued by Mutual Funds, Collective Investment Schemes, Mortgage backed or other asset backed securities, Security Receipt and any other securities issued by any company/entity/body corporate, Central Government, State Government or any local or statutory authority including Structured Products;
 - iii. Any other instruments or investments as may be permitted by applicable law from time to time.



2.2 Interpretation

Words and expressions used in this Disclosure Document and not expressly defined shall be interpreted in accordance with applicable law or according to their general meaning and usage. The definitions are not exhaustive.

3. Description

3.1 History, Present Business and Background of the Portfolio Manager

Fortuna Investment Advisors LLP (the “**Portfolio Manager**”) was incorporated under the laws of Limited Liability Partnership Act 2008 on 04 Aug 2022, by Gurvinder Singh Juneja and Jasmeen Kaur with the purpose of providing Advisory and Portfolio Management Services, as defined by SEBI regulations. The LLP is a SEBI registered PMS [registration number INP000008093].

3.2 Directors and Key Officers of the portfolio manager and their background

The Partners at the Portfolio Manager are Mr. Gurvinder Singh Juneja, Ms. Jasmeen Kaur and Mr. Vishal Khandelwal. The management team is well-rounded with combined experience of over four decades in the areas of investment management, corporate finance, credit risk, equity research, compliance and client relations.

Mr. Gurvinder Singh Juneja is Managing Partner and Principal Officer at the Portfolio Manager. He holds a Post Graduate Diploma in Management (PGDM) with specialization in Finance from Indian Institute of Management, Ahmedabad (IIMA), India and B. Tech Hons from the Indian Institute of Technology, Varanasi (IIT BHU), India. He has an experience of 25+ years in financial analysis, investment research, capital raise, investment management, and corporate finance advisory.

Ms. Jasmeen Kaur is Managing Partner at the Portfolio Manager. She holds a Post Graduate Diploma in Management (PGDM) with specialization in Finance from Indian Management Institute, Delhi (IMI), India and B. Com Hons from Sri Ram College of Commerce, Delhi (SRCC), Delhi University, India. She has 19+ years of business experience in Credit risk assessment across a diverse set of companies and sectors. She also has a brief banking experience of 2 years in the area of credit risk and modelling.

Mr. Vishal Khandelwal is a Partner at the Portfolio Manager. He has over 20 years of experience as a stock market analyst and investor, and over 12 years as an investing coach. He runs an immensely successful investor learning and education resource www.safalniveshak.com and is also an Adjunct Professor of Finance at the Flame University, Pune. He completed his MMS (Finance) from Mumbai University and B.Com (H) from Rajasthan University.



Mr. Rahul Patel, the Compliance Officer of the firm, manages the regulatory compliance and oversees the customer onboarding and servicing. He has over 5 years of experience in operations and compliance roles at Portfolio Managers. Rahul has been a part of our firm since the date we started PMS operations.

Client relations and managing client services would be managed by the Directors of the LLP firm in the initial period. The compliance and operations team consists of experienced resources to focus on client on-boarding, report performance to clients, answer client queries and enable a smooth operating experience with respect to filing, documentation and other compliance and operations aspects of the business.

3.3 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)

- Top 10 Group Companies on turnover basis is as follows:

Sr. No.	Name of the Group Companies
1.	Fortuna Partners, is a Partnership firm incorporated in Oct 2022 to provide non-investment related consulting services. The turnover of Fortuna Partners for FY2023-24 was Rs. 0.05 Crores.

3.4 Details of the Services being offered

3.4.1. Discretionary Portfolio Management Services (Discretionary PMS)

The Portfolio Manager shall independently manage the funds and securities of the Client in accordance with the provisions of the portfolio management service agreement. The Portfolio Manager shall have the sole and absolute discretion to invest on behalf of the Client in any type of Security as per the executed agreement and make such changes in the investments and invest some or all of the Funds in such manner and in such markets as it deems fit.

The Portfolio Managers' decision in deployment of the Clients' account is absolute and final and cannot be called to question or review at any time during the currency of the agreement or at any time thereafter except fraud, conflict of interest or gross negligence.

Investment under the portfolio management services will be only as per the applicable SEBI regulations. The uninvested parts of the Client's Funds may at the discretion of the Portfolio



Manager be held in cash or deployed in Treasury or high rated Debt Securities, liquid fund schemes, exchange traded liquid or index funds, debt-oriented schemes of mutual funds, gilt schemes, bank deposits, or other short-term avenues for investment.

The Client's portfolios under the discretionary services are based on Client's investment objectives and should not be construed as any scheme promoted by the company. The Portfolio Manager ascertains the investor's investment objectives to achieve optimal returns based on his risk profile.

3.4.2. Non-Discretionary Portfolio Management Services (NDPMS)

The Investment decisions of the Portfolio Manager are guided by the instructions received from the Client under an agreement executed between the Portfolio Manager and the Client. The deployment of funds and/or securities is the sole discretion of the Client and is to be exercised by the Portfolio Manager in a manner that strictly complies with the Client's instruction for execution.

The decision of the client in deployment of Funds and/or securities and the handling of his/her/its Portfolio is absolute and final. The role of Portfolio Manager, apart from acting on the instructions of the Client, is restricted to providing market intelligence which will enable the Client to take appropriate investment decision. For the purpose of acting on the Client's instruction, the Portfolio Manager shall take instructions from the Client in writing or e-mail and may include buying and selling the securities, keeping safe custody of the securities and monitoring book closures, dividend, bonus, rights etc. so that all benefits accrue to the Client's Portfolio for an agreed fee structure and for a definite described period, entirely at the Client's risk.

3.4.3. Advisory Services

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

The Portfolio Manager provides the facility for direct onboarding of clients i.e. on-boarding of clients without intermediation of distributors.

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 connected with the portfolio manager or its directors, principal officer or employee, under the Act or rules or regulations made thereunder.	None

5. Services Offered

5.1 Investment Objectives and Investment Approaches Being Offered

5.1.1. Discretionary Portfolio Management (Discretionary PMS) Services

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

Portfolio Manager shall invest funds of the client only in the Securities listed or traded on a



recognized stock exchange, money market instruments, units of Mutual Funds and other Securities as specified by Board from time to time, on behalf of their clients.

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

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

The Portfolio Manager may offer discretionary portfolio management services for investment up to 100% of the assets under management of the Large Value Accredited Investors in unlisted securities, subject to the terms agreed between the client and the Portfolio Manager.

5.1.2. Non-Discretionary Portfolio Management Services (NDPMS)

The Portfolio of the Client shall be managed in consultation with the Client. Under this service the Assets will be managed as per instructions issued from the Client. The Client will have discretion to decide on the investment. The Portfolio Manager will manage transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client, for an agreed fee structure and for a definite period as outlined in the Agreement. The Client will bear the entire risk of his / her Portfolio themselves, and the Portfolio Manager will not be responsible for any risk to the Client's Portfolio.

The Portfolio Manager may offer non-discretionary portfolio management services for investment up to 100% of the assets under management of the Large Value Accredited Investors in unlisted securities, subject to the terms agreed between the client and the Portfolio Manager.

5.1.3. 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 Advisory Services may be either general or specific in nature and may pertain to a particular portfolio. Entry/exit timing, execution and settlement would solely be the responsibility of the Client

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,



in this regard.

5.2 Investment Philosophy of the Portfolio Manager

The investment philosophy revolves around two key aspects: Endeavour to preserve capital and generate long term returns. The Portfolio Manager endeavors at all times to preserve and then, grow the portfolio. The goal is not necessarily to outperform a rapidly rising market, but as far as possible, aim to avoid the troughs in a falling market such that over a long-term time horizon, the portfolios outperform the benchmarks.

5.3 Investment Objective of the Portfolio Manager

The investment objectives of the portfolio manager are:

- To preservation of capital
- To generate returns greater than the risk-free rate
- To out-perform the benchmark Equity Index over medium / long-term of 3-5 years

The same would be achieved by investing in Securities as detailed below in section below however, within the overall guiding principles as detailed in the Investment Strategy of the Portfolio Manager.

To achieve the above stated investment objectives to the corpus would be invested in any one or more of the following securities:

- a. Securities listed on recognized stock exchange/s including equity, derivatives, debt instruments
- b. Money market instruments
- c. Units of Mutual Funds
- d. Unlisted Securities (up to 25% or any other % specified by SEBI, of the assets under management for non-discretionary or advisory services)
- e. Any other Securities on behalf of the clients; in compliance with SEBI

The Portfolio Manager may offer Discretionary or Non-Discretionary or Advisory Services for investment up to hundred percent of the assets under management of the large value accredited investors in unlisted securities.

Until such time the Portfolio Manager finds appropriate investment opportunities, the Portfolio Manager may at its discretion, in all the Portfolios, invest the Client's Funds in units of mutual funds, money market instruments and/or gilt securities issued by Central/State governments. Asset classes for deployment shall be always subject to the scope of investments guidelines as



prescribed under the regulations and the Agreement agreed upon between the Portfolio Manager and the Client.

5.4 Investment Policies

The scope of investments shall be as agreed upon between the Portfolio Manager and the Client in the Agreement.

5.5 Investment Approaches for Portfolio Management Services

The Portfolio Manager shall provide Portfolio Management Services to all eligible category of investors who can invest in Indian market including resident Indians, NRIs, FPIs, etc.

Investment objectives may vary from Client to Client. Depending on the individual Client requirements, the Portfolio can be tailor-made based on the Client's specifications.

The Portfolio Manager proposes to offer the following Portfolio Strategy as below:

5.6.1. Fortuna One: Long term Capital Compounding Approach

Strategy: Equity

Benchmark: S&P BSE 500 TRI

i. Investment Objective and Strategy:

The objective of 'Fortuna One' is to achieve long term capital appreciation and compounding by primarily investing in listed Securities in India. The investment strategy is long only with a bottom-up stock selection approach. The strategy will focus on investing in well-run businesses that are consistently growing intrinsic value, at prices below our estimates of intrinsic value.

The key tenets of the Strategy are:

Fundamental Analysis:

- a. Businesses with a competitive advantage.
- b. Businesses targeting a large opportunity to serve.
- c. Emphasis on management competence, integrity and alignment.
- d. High corporate governance.
- e. Strong cash flows.
- f. Strong balance sheets.

Long Term Conviction:

- a. Time to build conviction, hold long term.
- b. Continuously assess conviction levels, rather than price targets.
- c. Contrarian position, often against the prevailing market view.
- d. Track investment thesis on quarterly basis.

Accept Volatility but Avoid "Risk":



- e. Accept interim volatility as the investment thesis plays out.
- f. Avoid risk of permanent loss of capital invested.
- g. Accept risk of missing opportunity [do not worry about FOMO (fear of missing out)].

The portfolio would include primarily listed Securities (generally 80% to 100%), primarily of mid cap and small cap companies, but the Portfolio Manager may invest in other Securities as permissible under the SEBI (Portfolio Managers) Regulations 2020, as amended from time to time.

ii. Portfolio Construction:

The Portfolio Manager will target adequate diversification in managing Client's funds and mitigating risk that could arise from non-diversification. The Portfolio Construction and weightage will cover the following considerations:

- Number of Securities and level of concentration as percentage across sectors or industries.
- Liquidity of Securities in the Portfolio.
- Nature of Securities (equity, debt and / or liquid instruments).
- Client's guidance on limits/restriction for investment in Securities.

iii. Description of types of Securities: Equity, equity related instruments, Liquid schemes and units of Mutual Funds.

iv. Allocation of portfolio across types of Securities: Equity and equity related Securities upto 100%, Sovereign, AAA, AA or A category rated Listed Debt Securities, listed REITs, listed InvITs, SGBs or other Debt like Securities.

v. Benchmark: S&P BSE 500 TRI is our benchmark since it serves as a comprehensive representation of the Indian economy.

vi. Indicative tenure or investment horizon: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is 3 to 5 years, or longer.

vii. Risk Factors: Detailed risk related to investment in the Investment Approach are included as part of Section 6 [Risk Factors] in this Disclosure Document.

5.6.2. Fortuna Two: Inflation Protect Approach

Strategy: Debt

Benchmark: CRISIL Composite Bond Fund Index

i. Investment Objective and Strategy:



The objective of 'Fortuna Two' is to predominantly make investments in high credit quality debt instruments to preserve capital, ensure low volatility and beat inflation. The investment strategy is short to medium term and will make a selection of G-Sec, AAA, AA or A listed debt Securities, or listed REIT or InvITs, or listed Sovereign Gold Bonds (SGBs), other similar Securities.

The key tenets of the Strategy are:

High Credit Quality Debt Securities: The portfolio will include highly credit quality debt Securities.

Short to Medium Tenor: The debt Securities will be of short to medium tenor.

Low Volatility: The Strategy will focus on low volatility with changes in interest rates in the market.

The portfolio would include primarily listed Debt Securities (generally 80% to 100%), primarily G-Secs, AAA, AA or A category rated listed Securities, but the Portfolio Manager may invest in other listed Securities as permissible under the SEBI (Portfolio Managers) Regulations 2020, as amended from time to time.

ii. Portfolio Construction:

The Portfolio Manager will target adequate diversification in managing Client's funds and mitigating risk that could arise from non-diversification. The Portfolio Construction and weightage will cover the following considerations:

- Number of Securities and level of concentration as percentage across G-Secs, AAA, AA, A rated papers, listed REITs, listed InvITs, SGBs or other Debt like Securities.
- Liquidity of Securities in the Portfolio.
- Client's guidance on limits/restriction for investment in Securities.

iii. Description of types of Securities: Sovereign, AAA, AA or A category rated Listed Debt Securities, listed REITs, listed InvITs, SGBs or other Debt like Securities.

iv. Allocation of portfolio across types of Securities: Listed Debt or Debt like Securities upto 100%.

v. Benchmark: CRISIL Composite Bond Fund Index is our benchmark as it includes a comprehensive basket or relevant debt Securities.

vi. Indicative tenure or investment horizon: Recommended time horizon for effective portfolio returns as envisaged by the portfolio manager is 0 to 3 years. The Clients may opt for a systematic redemption option where their monies are deployed from 'Fortuna Two' (primarily Debt Strategy) to 'Fortuna One' (primarily Equity Strategy) on a regular basis. The clients may also place their funds in Fortuna Two for the short term before investing the same into Fortuna One (primarily Equity Strategy).



- vii. **Risk Factors:** Detailed risk related to investment in the Investment Approach are included as part of Section 6 [Risk Factors] in this Disclosure Document.

5.6.3. Fortuna Non-Discretionary PMS (NDPMS) Strategy:

Under this Strategy, the Portfolio Manager will make investments or exit investments in Securities as per instructions from the respective Client. The Portfolio Manager will ensure the client monies are pooled in a separate NDPMS account, with regular statements of account shared with the Client. The Portfolio Manager will be responsible for managing transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client, but at all times at the risk of the Client.

5.6 Policies for investments in associates/ group companies

The Portfolio Manager will not make any investments in associates / group companies of the Portfolio Manager.

6. Risk Factors

The Portfolio Manager does not assure that the objectives of 'Fortuna One Equity Portfolio' 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.

Past performance of the Portfolio Manager does not indicate the future performance of the scheme / strategy / portfolio.

The Company has no previous experience/track record as a Portfolio Manager. 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 research, business and credit analysis, and investment management.

Investments in equity may be adversely affected by the performance of companies, changes in the economy, government policy, the marketplace, credit ratings and industry specific factors.

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 decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than prices of short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the valuations of Portfolios.



Liquidity in the investments and performance of portfolio may be affected by trading volumes, settlement periods and transfer procedures.

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.

Appreciation in the scheme 'Fortuna One – Equity Strategy' can be restricted in the event of a high asset allocation to cash, when stock appreciates. The performance may also be affected due to any other asset allocation factors.

When investments are restricted to a particular or few sector(s) or few companies under the scheme strategy; 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.

Investments in niche sectors run the risk of volatility, high valuation, obsolescence and low liquidity.

Each portfolio will be exposed to various risks depending on the investment objective and asset allocation. The investment objective and 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.

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.

Trading in securities on the exchange(s) may be halted because of market conditions or for various other reasons. In addition, trading in securities is subject to trading halts caused by extra ordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of the Market necessary to maintain the listing of securities will continue to be met or will remain unchanged.

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.

The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities, as permitted under the regulations. This may expose the client's portfolio to liquidity risks.



The corporate debt market is relatively illiquid vis-a-vis the government securities market. There could therefore be difficulties in exiting from corporate bonds in times of uncertainties. Further, liquidity may occur only in specific lot sizes. Liquidity in a security can therefore suffer. Even though the Government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. Trading in specified debt securities on the Exchange may be halted because of market conditions or for reasons that in the view of the Exchange Authorities or SEBI, trading in the specified debt security is not advisable.

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.

The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of Mutual Funds. Though the portfolio of liquid funds comprises of short-term deposits, government securities and money market instruments, they cannot be considered as totally risk free. This is because liquidity patterns and short-term interest rates of the government change, sometimes on a daily basis, thereby making the fund susceptible. Liquid fund returns are not guaranteed, and it entirely depends on market movements.

The Client Portfolio may be affected by settlement periods and transfer procedures.

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.

The name "Fortuna One" Strategy do not in any manner indicate its prospects or returns, or does not guarantee performance or returns.

Performance of the Portfolio may be impacted as a result of specific investment restrictions provided by the client.

6.1 General Risk

- 2 In case of investments in schemes of Mutual Funds/Alternative Investment Funds & Venture Capital Funds, the Client shall bear the recurring expenses and performance fee, if any, of the Portfolio Management Services in addition to the expenses of the underlying schemes. Hence, the Client may receive lower pre-tax returns compared to what he may receive had he invested directly in the underlying schemes in the same proportions.



- 3 After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be delay in deployment. In such situation the Clients may suffer opportunity loss.
- 4 The Portfolio Manager, its employees may purchase/ sell securities in ordinary course of business and in that manner, there may arise conflict of interest with transactions in any of the client’s portfolio. Such conflict of interest shall be dealt with in accordance of the Conflict of Interest Policy of the LLP.

7. Client Representation

7.1 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 yrs)	NIL	NIL	NA
Others (last 3 years)	NIL	NIL	NA
Total	NIL	NIL	NA

The Portfolio Manager has recently received the certificate of registration effective May 12th, 2023. This section will be updated soon as the Portfolio Manager starts rendering portfolio management services.

7.2 Disclosure of transaction with related parties

The Portfolio Manager has not undertaken any transaction with its group entities.

8. Financial Performance

The Portfolio Manager was incorporated on Aug 04 2022, and received its certificate of registration as Portfolio Manager on the 12th May, 2023

The Financial Performance of the Portfolio Manager (based on audited financial statements) (in Indian Rupees).

Indian Rupees	Financial Year 2021-2022	Financial Year 2022 - 2023	Financial Year 2023-20224
Profit / (Loss) Before Depreciation & Taxation	NA	1,73,891	41,81,323
Net Profit / (Loss) after Depreciation & Taxation	NA	1,01,703	34,73,843
Shareholder’s Funds	NA	5,11,29,650	5,51,06,622



Share Capital	NA	5,10,27,947	5,15,31,076
Reserves & Surplus	NA	1,01,703	35,75,546

9. Performance of Portfolio Manager

The Portfolio Manager has received the certificate of registration effective May 12th, 2023. Since then, the performance of the Portfolio Manager is summarized as below:

Performance % As on 31 Aug 2024	1 Month	3 Months	6 Months	1 Year	5 Years	Since Inception
FORTUNA ONE	3.07	16.35	26.11	50.41	NA	54.94
S&P BSE 500 TRI	0.96	12.88	18.75	41.14	NA	37.56

Performance % As on 31 Aug 2024	1 Month	3 Months	6 Months	1 Year	5 Years	Since Inception
FORTUNA TWO	1.18	2.80	4.36	NA	NA	6.51
CRISIL Composite Bond Fund Index	0.89	2.53	4.42	NA	NA	7.91

10. Audit Observations

The Portfolio Manager has received the certificate of registration effective May 12th, 2023. The audit for FY23-24 has been completed and not made any material observations or qualifications.

11. 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: The fee charged by Fortuna Investment Advisors LLP 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, performance fee of any form is applicable if and only if the overall portfolio return to client is above a hurdle rate of return, which we have defined as 10% for the purposes of simplicity for "Performance Fee option". There is a performance fee of upto 20% p.a. of the return over and above the hurdle rate, without catch up. Return based fees shall be calculated on "High Water Mark Principle", charged on Client's daily average AUM, and invoiced quarterly.



2) Fixed Fee: There is a fixed annual fee of a maximum of 1.75% per annum on average Asset under management, charged on Client's daily average AUM, and invoiced on a monthly basis.

3) Other Expenses as detailed below: As may be applicable not exceeding 0.50% p.a. of the Client's average daily AUM.

a. Custodian and Fund Accounting Charges. On Actuals. This is usually 0.05% per annum, calculated at the Client's average daily AUM.

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.

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.

d. Brokerage 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.

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.

g. Other charges: As may be mutually agreed between client and Portfolio Manager.

h. Incidental Expenses: Digital account opening charges, courier / postage charges, stamp duty, service tax, opening and operation of bank accounts, etc.

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

Indicative Nature of Expenses for Clients

Investment Management Fee (subject to the decision of the Portfolio Manager to reduce or waive such fee(s) as may be agreed between the Portfolio Manager and the Client

FORTUNA ONE: LONG TERM CAPITAL COMPOUNDING APPROACH



DISCRETIONARY PMS STRATEGY	
1. Performance Fee	Up to 20% of portfolio return delivered above Hurdle rate as per Agreement with Client, without catch up, basis High Watermark* Principle, charged either quarterly or half-yearly as per Agreement with each client
2. Fixed Fee	Up to 1.75% on average daily AUM, charged monthly
3. Exit Loads (if redeemed in part or full)	
(a) In the first year from the date of investment	Upto 3% of the amount redeemed
(b) In the second year from the date of investment	Upto 2% of the amount redeemed
(c) In the third year from the date of investment	Upto 1% of the amount redeemed
(d) After three years from the date of investment	No exit load
FORTUNA TWO: INFLATION PROTECT APPROACH DISCRETIONARY PMS STRATEGY	
1. Performance Fee	None
2. Fixed Fee	Up to 0.40% on average daily AUM, charged monthly
3. Exit Loads (if redeemed in part or full)	
(a) In the first year from the date of investment	Up to 0.40% of the amount redeemed
(b) In the second year from the date of investment	No exit load
(c) In the third year from the date of investment	No exit load
(d) After three years from the date of investment	No exit load
FORTUNA NON-DISCRETIONARY PMS (NDPMS) STRATEGY	
1. Performance Fee	Up to 20% of portfolio return delivered above Hurdle rate as per Agreement with Client, without catch up, basis High Watermark* Principle, charged either quarterly or half-yearly as per Agreement with each client
2. Fixed Fee	Up to 1.50% on average daily AUM, charged monthly
3. Exit Loads (if redeemed in part or full)	No exit load



OTHER COSTS APPLICABLE TO ALL STRATEGIES	
Brokerage and Transaction Costs (STT, exchange fee, other charges)	On actuals
Custody, Fund Accounting Expenses	On Actuals Estimated 0.05% per annum, on daily average AUM
Stamp Paper, Digital Account Opening Expenses	On Actuals Estimated Rs. 1,000 one time at the time of Account Opening
Benchmarking Fee (for Performance Reporting against Benchmarks, as required by SEBI)	Rs. 1200 per annum
Other Fee (Incidentals, Courier, SEBI Audit Fee for Client Performance Audit, Demat Account maintenance fee, any Other Charges)	On Actuals Estimated Rs. 1,200 per annum

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

- 1) Custodians and Depository Participants:
 - Orbis Financial Corporation Limited
 - ICICI Bank Limited

- 2) Share Brokers:
 - Nuvama Wealth and Investment (Formerly Edelweiss Broking).
 - Philip Capital
 - Emkay Global
 - BondBazaar Securities
 - SMC Global
 - Or any other Broker registered with SEBI may be added depending on nature of services being offered.

- 3) Bankers:
 1. HDFC Bank Limited
 2. Equitas Small Finance Bank Limited
 3. IndusInd Bank Limited
 4. ICICI Bank Limited

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

12. 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.

The Portfolio Manager will not deduct tax on the capital gains generated out of the investment made by the Client 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.

The Portfolio Manager shall provide adequate statements to the clients for accounting purpose.

For non-resident clients, the Short-term Capital Gains tax is to be 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.



13. Accounting Policy / Valuations

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 closing stock prices on National Stock Exchange. If the stock is not listed on NSE, closing prices on Bombay Stock Exchange would be used.

(iv) Revenue arising from interest and dividends is accounted for on accrual basis.

(v) 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.

(vi) All settlements and custody of assets will be handled by a recognized Custodian.

14. Direct on-boarding of clients by Portfolio Managers

14.1. The Clients can be on-boarded directly, without intermediation of persons engaged in distribution services.

14.2. At the time of on-boarding of Clients directly, no charges except statutory charges or charges to onboard the Client digitally shall be levied.

15. Investor Services

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

Name: Mr. Rahul Patel

Mobile No: +91 99586 20315

Email: info@fortunaadvisors.in



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 Portfolio Manager, whose contacts coordinates are provided below:

Name: Gurvinder Singh Juneja

Address: GF and FF, Asset Area 11, CoWrks, Worldmark 1, Aerocity, New Delhi 110037

Mobile No: +91 85888 41517

Email: gurvinder.juneja@fortunaadvisors.in

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 Gurvinder.juneja@fortunaadvisors.in. 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 New Delhi 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 the parties.





16. Investment in related party securities of the Portfolio Manager

Sr. No.	Investment Approach (if any)	Name of the associate/related party	Investment amount (cost of investment as on the last day of the previous calendar quarter (INR crores))	Value of investment as on the last day of the previous calendar quarter (INR in crores)	Percentage of total AUM as on last day of the previous calendar quarter
	NIL	NIL	NIL	NIL	NIL

17. Details of the Diversification policy of the Portfolio Manager

For managing diversification risk, the Portfolio Manager shall invest in a wide array of stocks across a diverse set of industries. Average number of stocks in our portfolio is typically between 10-25, although the same may change from time to time depending on market conditions and availability of investment opportunities.

For Fortuna Investment Advisors LLP

Name of the Director	Signature
Gurvinder Singh Juneja	 

Date: 20 Sep 2024

Place: New Delhi



18. FORM C

SECURITIES AND EXCHANGE BOARD OF INDIA (PORTFOLIO MANAGERS) REGULATIONS 2020

REGULATION 22

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 / invest in the portfolio management services;
3. The Disclosure Document has been duly certified by an independent chartered accountant as per attached certificate.

Enclosed is a copy of the chartered accountant's certificate to the effect that the disclosures made in the document are true, fair and adequate to enable the investors to make a well-informed decision.

For Fortuna Investment Advisors LLP

Gurvinder Singh Juneja
Principal Officer



gurvinder.juneja@fortunaadvisors.in

Date: 20 Sep, 2024

Place: New Delhi

CERTIFICATE

We have verified the Disclosure Document ("the Document") for Portfolio Management Services prepared by M/s. Fortuna Investment Advisors LLP (LLP Identification No. – ABB 9820), a Portfolio Manager registered with SEBI under the SEBI (Portfolio Managers) Regulations, 2020 (SEBI Reg. No. INP000008093), dated August 31, 2024, having its Registered Office at 364, Nav Sansad Vihar, Plot 4, Sector 22, Dwarka, New Delhi – 110 075.

The disclosures in the document is made based on the model disclosure document as stated in Schedule V of Regulation 22 of Securities and Exchange Board of India (Portfolio Managers) Regulations 2020.

Our certification is based on the examination of records, data made available and information & explanations provided to us.

Based on such examination we certify that:

1. The Disclosure made in the document is true, fair and correct and
2. The information provided in the Disclosure Document is adequate to enable the investors to make well-informed decisions.

The enclosed document is stamped and signed by us for the purpose of identification.

For M/s MAAN & CO.
Chartered Accountants
Firm Regd. No. 032152N



CA Amit Arora - Partner
Membership No. 097517
UDIN: 24097517BKBMXP6566
Date: 20th September 2024
Place: New Delhi

