

**WAY2WEALTH BROKERS PRIVATE LIMITED**

**PORTFOLIO MANAGEMENT SERVICE**



**WAY2WEALTH**  
a COFFEE DAY venture

**DISCLOSURE DOCUMENT**

WAY2WEALTH BROKERS PRIVATE LIMITED

DISCLOSURE DOCUMENT FOR  
PORTFOLIO MANAGEMENT SERVICES

- (1) The Disclosure Document ("the Document") has been filed with the Securities and Exchange Board of India (SEBI) along-with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993
- (2) The purpose of the Document is to provide essential information about the portfolio services in a manner to assist and enable the investors in making informed decision for engaging a Portfolio Manager
- (3) The necessary information about the Portfolio Manager is provided on page # 4 to page # 11 of this Document. Investors are advised to retain the Disclosure Document for future reference
- (4) Way2Wealth Brokers Private Limited (WBPL) is registered with SEBI as on the date of this Document and holds a PMS License vide Registration No. INP000000829. WBPL is also registered with SEBI as a Stock Broker vide Registration No. BSE-INB011150233, NSE-INB231150237, NSE-INF231150237 and NSE-CDS INE231150237, MCX-SX CDS INE261150237 and BgSE – INB081150238. WBPL is also registered with SEBI as a Depository Participant vide Registration No. IN-DP-NSDL-253-2005 and IN-DP-CDSL-526-2009 All the other intermediaries involved in the scheme are registered with SEBI as on December 31, 2010
- (5) The details of the Principal Officer designated by the Portfolio Manager are as follows :

Name : Mr. C K Nithyanand, Director

Address : Way2Wealth Brokers Private Limited  
Ground Floor, Frontline Grandeur,  
No 14, Walton Road, Bangalore - 560001

Phone : (080) 43676869;

E-mail : compliance@way2wealth.com

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## **I. DISCLAIMER CLAUSE**

This Document sets forth concisely, the information about the portfolio services that a prospective investor should know before making an informed decision for engaging a Portfolio Manager. The particulars contained in the Document are in accordance with Securities & Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended till date, and filed with Securities & Exchange Board of India (SEBI). This Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Document.

## **II. DEFINITIONS**

In this Agreement, unless otherwise clearly indicated by, or inconsistent with, the context:

- a. a reference to any one gender includes a reference to all other genders, as well as to non-living entities;
- b. the singular includes the plural and vice versa;
- c. business day shall refer to the day on which there is no, or has not been, declared, public holiday under the Negotiable Instruments Act, 1881, and shall not include Saturdays and Sundays;
- d. the headings are used for convenience and ease of reference and are not to be construed in the construction or interpretation of any provision of this document.

“Client Registration Form” means the application, duly completed and signed by the Client and submitted to the Portfolio Manager to open a Portfolio Management Account.

“Portfolio Management Agreement” means the Agreement executed between the Client and the Portfolio Manager in connection with the Portfolio Management Account in the name of the Client.

“Portfolio” refers to the Portfolio Securities and Portfolio Funds, either originally tendered by the Client at the time of execution of Portfolio Agreement, or as existing at any point of time, while this Agreement is in force, and where the context so admits or requires, includes a part thereof.

“Portfolio Management Account” means an account opened and maintained by the Portfolio Manager in the name of the Client in its records to manage the Portfolio of the Client.

“Portfolio Manager” refers to Way2Wealth Brokers Private Limited (WBPL)

“Portfolio Funds” means and refers to the cash amounts tendered by the Client for the purpose of deployment in Portfolio Securities while constructing and/or maintaining Portfolio of the Client.

“Portfolio Securities / Securities” shall include, but be not limited to, shares (voting, non-voting, and differential voting, and whether equity or preference), stocks, bonds (including government bonds, deep discount bonds, secured premium / promissory notes, debentures – non-convertible/fully/partly convertible), units of mutual funds (equity, debt, money market, tax schemes, liquid funds and whether growth or capital oriented), derivatives (options and futures), and all types of financial

instruments, whether marketable or not, whether available for trading on any recognized stock exchange or not and issued by any company, body corporate or statutory authority or by government, whether central, state or local, but shall not include such securities or instruments in which investments are specifically barred under Rules and Regulations or any other relevant laws.

“Portfolio Value” means the aggregate of the Portfolio Funds and Value of Portfolio Securities.

“Model(s)” shall refer and include the plans as launched by the Portfolio Manager under the model / strategy viz.:

- Wealth Yielder (Balanced portfolio) – CRISIL Balanced Index
- Wealth Weaver (Growth Portfolio) - SENSEX
- Wealth Optimiser (Aggressive Growth portfolio ) - SENSEX & NIFTY
- Wealth Escalator (Super Aggressive portfolio) - SENSEX & NIFTY
- Wealth Spiral (Dynamic model) - SENSEX & NIFTY
- Contra Fund
- Wealth Flexi Fund
- Wealth Multi Factor (BSE 200 Index)

shall invest in equity and debt market including mutual fund units in different proportion depending on the model opted by the investor

“Large cap Companies” mean companies which have market capitalization of greater than Rs. 2000 crores at any given time.

“Mid cap Companies” mean companies which have market capitalization of less than Rs. 2000 crores and greater than Rs. 500 crores at any given time.

“Small cap Companies” mean companies which have market capitalization of less than Rs. 500 crores at any given time.

“Blue Chip Companies” mean financially sound companies that have demonstrated its ability to pay dividends in both good and bad times.

“Government Bonds” mean a certificate of debt (usually interest-bearing or discounted) that is issued by government in order to raise money; the issuer is required to pay a fixed sum annually until maturity and then a fixed sum to repay the principal.

“Corporate Bonds” mean a debt security issued by a corporation and sold to investors

“Debt Funds” means an open ended mutual fund that invest in fixed income investments such as short-term or long-term bonds (government or corporate), securitized products, money market instruments or floating rate debt.





“Money Market Funds” “Liquid Funds” “Liquid Plus Funds” means open ended mutual fund that invests in highly liquid short-term financial instruments (with maturities typically 90 days to less than one year) such as negotiable certificates of deposit, commercial paper, trade bill, treasury bills and usance bills; and pays money market account rates of interest

“Group Companies” means and refers to companies under the same management as mentioned to in Section 370 (1B) of the Companies Act, 1956.

“Related parties / Associates” shall have the same meaning as assigned in Accounting Standard 18 (AS-18), as specified by Institute of Chartered Accountants of India (ICAI).

‘Discretionary Portfolio Management Services’ means Portfolio Management Services where a Portfolio Manager exercises or may, under a contract relating to Portfolio Management, exercise any degree of discretion as to the investment or management of the portfolio of securities or the funds of the Client, as the case may be.

‘Non-Discretionary Portfolio Management Services’ means Portfolio Management Services where a Portfolio Manager acts on the instructions received from the Client with regard to investment of the funds of the Client under a contract relating to Portfolio Management and will exercise no discretion as to the investment or management of the portfolio of securities or the funds of the client, as the case may be.

In case of ‘Discretionary Portfolio Management Services’ & ‘Non-Discretionary Portfolio Management Services’ separate books of accounts are maintained and shares and money would be in clients name.

“Regulations” means Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended from time to time.

“Value of Portfolio Securities” shall be computed as follows: (i) For the first time when tendered by the Client at the time of execution of this Agreement, the value of Portfolio Securities shall be as per the prices prevailing on the stock exchange (NSE / BSE), or where any such securities are unlisted, or in respect of which no market quotation is available, the value arrived at by mutual understanding, keeping in mind accepted accounting and investment valuation practices. (ii) Thereafter, the value shall be as per the prices prevailing on the stock exchange (NSE / BSE) at the time of computation, and for securities, which are unlisted / for which no market quotation is available, as stated above.

“Website” means the Portfolio Manager’s Internet website at [www.way2wealth.com](http://www.way2wealth.com) or at such other location as may be decided by the Portfolio Manager from time to time.



### **III. CONSTITUTION OF THE PORTFOLIO MANAGER**

#### **A. About Way2Wealth Brokers Private Limited**

Way2Wealth Brokers Private Limited was incorporated on August 16, 2000

Way2Wealth Brokers Private Limited is a member of the National Stock Exchange of India Limited (NSE) on the capital market, wholesale debt markets and the futures & options segment and is also a member of Bombay Stock Exchange Limited (BSE) on the capital market segment. WBPL is also a trading member on the Currency Derivatives segment of NSE and MCX Stock Exchange Limited. WBPL is also a member of the Bangalore Stock Exchange (BgSE)

WBPL specializes in providing personalized investment solutions to retail investors, corporate entities and institutions. WBPL has been awarded a rating of TxA2 by Credibility First – program of CRISIL

In addition to the above services, we also offer a discretionary portfolio management service for high net worth individuals and corporate entities

#### **BOARD OF DIRECTORS AND THEIR BACKGROUND:**

The Board of Directors of WBPL as on December 31, 2010 comprises of:

**(i) Mr. V.G. Siddhartha , Director**

Mr. V.G. Siddhartha is the visionary behind Way2Wealth and the founder of Sivan Securities. He has been involved in the Indian Capital Markets since 1984. During his early years of his work-life he has spent valuable years with J.M. Morgan Stanley, this experience stood him in good stead when he became a successful investor. Having a Masters in Economics from Mangalore University, he is an avid reader and traveler with a yen for creating companies and brands

**(ii) Mrs. Malavika Hegde, Director**

Mrs. Malavika Hegde has more than 7 years of experience in various aspects of securities markets. She has a Bachelors Degree in Commerce. She has been associated with Way2Wealth Group since inception and has been instrumental in the growth of its business

**(iii) Mr. C. K. Nithyanand, Director**

Mr. Nithyanand has more than 16 years experience in various aspects of the capital Markets. He has a Bachelor's Degree in Arts and a Master's Degree in Commerce. He has been with Way2Wealth since its inception, instrumental in driving business in the Equity, Futures & Options segments in the Capital Market and Wholesale and Retail segments in the Debt Market. He started his career with Sivan & Co. as a founding member, instrumental in the growth of their Capital Markets business.





**(iv) Mr. M. R Shashibhushan, Director**

Mr. M R Shashibhushan has over 23 years of experience in various areas of the Capital markets. He has done his Diploma in 'Systems Analysis', during his professional tenure has completed the 'Professional Membership Programme' of the Bangalore Stock Exchange, has undergone the 'Executive Education Programme' at IIM Bangalore and the 'Corporate Leadership Programme' at 'Orix Corporation Tokyo, Japan to name a few.

In his last assignment with IL&FS Investsmart Ltd. for over 9 years, he started as Head - Retail Business (Karnataka Region) and subsequently moved to its Corporate Office in Mumbai to head their Retail Equities Business, which included the Branch Network, Alternate Channels, Private Clients Group and Investments Advisory.

Currently as CEO - Way2Wealth, he is in-charge of strategic planning. Renowned for turn around, he is deploying his vast experience in charting the way forward for way2wealth - a name to reckon in the India financial space.

**B. About Promoters**

Way2Wealth legacy dates back to Sivan Securities (1984) a premier financial intermediary and incubator for IT start-up firms, spun off its securities broking & investment banking arm as 'Way2Wealth' in 2000 and its venture capital division came to be known as 'Global Technology Ventures (GTV)'.

Way2Wealth' today has established itself as a 'Premier Investments Consultancy Firm', known for making investing simpler, more understandable and profitable for the investors. We offer a wide range of products & services viz: Equity, Derivatives, Commodities, IPO's, Mutual Funds, Portfolio Management Services & Depository Services all under one roof, for the convenience and benefit of our customers. We service our 1 Lakh + customer relationships through a team of over 700 wealth managers across 60 easily accessible 'Investment Outlets' in almost all major towns and cities in India. In our endeavor to become the market leader we have recently added, in addition to our existing product offerings, new business verticals viz: Institutional Equity, M&A advisory, PE advisory etc.

**OUR PARENT COMPANY**

Way2Wealth Securities Private Limited lead by Mr. V. G. Siddhartha, and his other visionary companies are 'Amalgamated Bean Coffee Trading Company Ltd'. (India's largest coffee conglomerate and coffee exporter), 'Café Coffee Day' chain and venture capital company 'Global Technology Ventures (GTV)', which has funded Kshema Technologies, Mind Tree, I-Vega, Tanglin Developments, Ittiam etc.

**THE VISIONARY**





The visionary behind Way2Wealth, Mr. V.G. Siddhartha founded Sivan Securities and has been involved in the Indian Capital Markets since 1984. His business interests spreads across Coffee retailing, Plantations, Real estate, Venture Capital and Financial Services. He has yen for creating companies and brand.

**C. Top 10 Group Companies based on Turnover as on March 31, 2010**

Sr. No.	Name of the Company	Turnover / Income for the Financial Year 2009-10 (Rs.)	Remarks
1.	Way2Wealth Securities Private Limited	5,28,58,923	Audited A/c –2009-10
2.	Way2Wealth Commodities Private Limited	6,97,43,761	Audited A/c –2009-10
3.	Way2Wealth Distributors Private Limited	32,04,719	Audited A/c –2009-10
4.	Way2Wealth Capital Private Limited	7,99,005	Audited A/c –2009-10

**E. Details of Services being offered:**

Discretionary portfolio management & Non-discretionary portfolio management services (as per the individual agreement with the client)

**III. FUNDAMENTAL ATTRIBUTES OF THE MODELS**

**(1) GENERAL :**

- (i) The Portfolio Manager as a policy will evaluate all the investment opportunity in the same parameter and keeping in view the investor profile and the objective of the model / strategy.
- (ii) Even in the event if the investment in associate companies of the portfolio manager and associate merits investment consideration the portfolio manager shall ensure that the same shall not exceed 20% of the aggregate portfolio value.
- (iii) In the event if the Portfolio Manager makes an investment in the associate companies the same shall not exceed the market value or the fair value of the securities computed strictly in adherence to various accounting policies.
- (iv) The Services offered by the Portfolio Manager under the above models would be "Discretionary" in nature.
- (v) The Portfolio Manager reserves absolute right to register any person for providing services under any of the PMS models. Further, in respect of existing clients, the Portfolio Manager reserves the right to allow them to shift within models or register under any new model

(vi) **Contra Fund**

This model is a proposition to invest in stocks and sectors, which are currently out of flavor and have seen significant correction in prices, but look fundamentally good in the long-term.

These opportunities arise due to short-term negativities in a sector/stock, extreme pessimism, cyclical downturns, policy changes etc.

(vii) **Wealth Flexi Fund**

The investment objective of this model is to generate capital appreciation on investment based on the risk profile of the client, subject to client's needs and preferences on sectoral / asset class diversification.

Under this model, the Portfolio Manager would pre-dominantly invest into Equity Mutual Fund with allocation into Large cap, Midcap and diversified Portfolio. of schemes

The model will Endeavour to switch dynamically into Liquid Funds or cash to seize any opportunity in the market in the form of profit booking and exiting investment as and when required. The model will endeavour to hedge the portfolio by selectively using the Index options to help manage volatility

(viii) **Wealth Multifactor**

The Investment objective of this model is to invest in large to medium capitalization securities and outperform the BSE 200 Index on a risk-adjusted basis. The investable universe will be similar to BSE 200 with a focus on selecting the largest securities on basis of capitalization and liquidity. The portfolio will hold 40 to 70 names during non-rebalancing periods. With the use of risk control and optimizations the portfolio will seek to outperform BSE 200 on a monthly basis.

The Investment strategy is that the portfolio will invest 75% - 100% in equities and be restricted to a universe of top 200 stocks selected on the basis of capitalization and liquidity during non-rebalancing period. The portfolio construction will employ an active quantitative investing strategy whereby selecting stocks on the basis of various factors like Technical (e.g. price change, liquidity, etc), Fundamental (e.g. valuation metrics, growth rates, etc) and Macroeconomic (e.g. GDP, etc) factors. These factor signals in conjunctions with risk controls will be used to construct an investable portfolio. The portfolio construction methodology is designed to control for risk by not taking large positions (>15%) in any one stock, holding at least 40 stocks, holding across various economic sectors, and controlling for expected risk relative to the benchmark.



Depending on Opportunity the model can invest into the stocks outside the BSE 200 universe but similar in characteristics to the TOP 200 Stocks universe. The weightage of this would not be more than 40%.

The portfolio will be held for a period of one month at which point it is rebalanced to a new investable portfolio. The portfolio manager might make trades in between rebalancing periods or make use of derivative products, during the non-rebalancing period, to control for unwanted risk arising from such things as macro events or corporate event. Additionally, derivatives might be used to control for risk arising from market movements during the rebalance period; this will result in improved execution of the trades for the portfolio.

During rebalancing an optimization will be done to determine the best trades to do in order to reduce noise in the portfolio and to reduce transactions costs resulting from noise trades.

Asset Allocation will be Equity: 75% - 100% and Cash/liquid funds/money market instruments: 0% -25%

During periods of rebalancing the portfolio might hold a large percentage of cash, but during non rebalancing periods the portfolio will hold its target level of equity.

#### **NON – DISCRETIONARY PMS:**

The Portfolio Manager offers Non-Discretionary Portfolio Management Services whereby investment decisions are solely taken by the Client.

For Non-Discretionary services, the Portfolio Manager inter-alia manages securities transaction execution, accounting, recording of corporate benefits, valuation and reporting aspects on behalf of the Client. The securities of client under Non-Discretionary Portfolio Management are held by the Client in their own name.

#### **(3) SERVICES OFFERED:**

Way2Wealth's Portfolio Management division focuses on the management of investment portfolios for high net worth individuals and corporate entities. Our goal is to provide our clients with a framework for the creation and preservation of wealth. Our strategy is to question, listen, learn and research. We question the clients' needs and priorities, and through our research we provide answers and solutions that are designed to help achieve these investment goals. We put our financial and investment experience and education to work, thus ensuring steady portfolio maintenance and success. We endeavor to show our clients the Way2Wealth.

Our philosophy may be summarized as follows:

- A high level of personal service and management attention with complete confidentiality
- A disciplined investment approach to all elements of the investment process to produce consistent results



- Monthly portfolio reports and quarterly newsletters

We aim to build and protect the assets of our clients to suit each individual's requirement. We strive to achieve consistent long-term performance for our clients. Client portfolios shall be invested in the following securities; equities, debt, derivatives, debentures, mutual funds, and money market instruments. Percentage allocation to each class of securities shall be based on the client's risk profile as identified from the Client Registration Form (CRF).

In general, clients will fall into different risk profile categories for which asset allocation models follow:

<i>Wealth Yelder (Balanced portfolio)</i>		<i>Wealth Weaver (Growth Portfolio)</i>	
	%		%
<b>Equity</b>	<b>0-100</b>	<b>Equity</b>	<b>50-100</b>
Blue Chips	30-60 ✓	Blue Chips	0-100
Mid Cap	10-60	Mid Cap	0-30
Small Cap	0-50	Small Cap	0
<b>Cash / Debt and Money Market Funds</b>	<b>0-100</b>	<b>Cash / Debt and Money Market Funds</b>	<b>0-50</b>
Debt Funds and money market funds	0-100	Debt Funds and money market funds	0
Government Bonds	0-100	Government Bonds	0
Corporate Bonds	0-100	Corporate Bonds	10
	<b>100</b>		<b>100</b>
<i>Wealth Optimiser (Aggressive Growth portfolio)</i>		<i>Wealth Escalator (Super Aggressive portfolio)</i>	
	%		%
<b>Equity</b>	<b>50-100</b>	<b>Equity</b>	<b>40-100</b>
Blue Chips	0-30	Blue Chips	10-70
Mid Cap	10-90	Mid Cap	20-60
Small Cap	10-50	Small Cap	5-50
<b>Cash / Debt and Money Market Funds</b>	<b>0-50</b>	<b>Cash / Debt and Money Market Funds</b>	<b>0-10</b>
Debt Funds and money market funds		Debt Funds and money market funds	0-10
Government Bonds	0-50	Government Bonds	0-10
Corporate Bonds	0-50	Corporate Bonds	0-10
	<b>100</b>		<b>100</b>
<i>Wealth Spiral (Dynamic Model)</i>		<i>Contra Fund</i>	
	%		%
<b>Equity</b>	<b>20-100</b>	<b>Equity</b>	<b>30-60</b>
Blue Chips	30-80	Blue Chips	30-80
Mid Cap	30-80	Mid Cap	20-80
Small Cap	0-40	Small Cap	0-30





<b>Cash / Debt and Money Market Funds</b>	<b>0-50</b>	<b>Cash / Debt and Money Market Funds</b>	<b>0-80</b>
Debt Funds and money market funds		Debt Funds and money market funds	
Government Bonds	0-50	Government Bonds	0-80
Corporate Bonds	0-50	Corporate Bonds	0-80
	<b>100</b>		<b>100</b>
<b>Wealth Multi Factor</b>		<b>Wealth Flexi Fund</b>	
	<b>%</b>		<b>%</b>
<b>Equity</b>	<b>75-100</b>	<b>Mutual Funds</b>	<b>0 - 100</b>
Large Cap	0-100		
Mid Cap	0-100		
Small Cap	0	<b>Equity</b>	<b>0 - 40</b>
<b>Corporate Bonds, Government Bonds, Debt &amp; Money Market MFs , Cash</b>	<b>0-25</b>	<b>Debt and Money Market</b>	<b>0 - 40</b>

Asset allocation strategy as well as the definitions such as Blue Chip, Large Cap, Mid Cap and Small Cap specified in the document may change depending on the fluctuations in the Market condition or market cap of the scrips

#### Asset Allocation

How you divide your investment portfolio among various asset classes is the most important decision you can make about your money. Studies have shown that asset allocation is the primary determinant of investment performance over time. Diversifying your investment capital among different asset categories and industry sectors each with a proven long-term track record of generating attractive returns is a more important factor in investment performance than individual security selection or market timing. We will be diversifying client portfolios using equities, debt, mutual funds, and money-market securities.

**Improper asset allocation typically results in a lack of diversification, which damages long-term returns and increases risk.**

#### IV. RISK FACTORS

- The securities and mutual fund investments are subject to market risk and there is no assurance or guarantee that the objectives of the model (s) will be achieved
- Investors are not being offered a guaranteed or assured rate of return either directly or indirectly. Investment decisions made by the Portfolio Manager may not always be profitable
- Names of the model(s) do not in any manner indicate either the quality of the model(s) or their future prospects and returns

- (iv) To the extent that the model(s) invest in the fixed income securities, the value of the portfolio shall be affected by changes in the general level of interest rates
- (v) Debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk) and price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk)
- (vi) Investments in derivative instruments are subject to high levels of risk. Use of derivative instrument is made to enhance the portfolio returns but there can be greater levels of loss to the portfolio as a result of investment in derivative instruments.
- (vii) Pending deployment of funds in securities in terms of the investment objective, the funds of the model shall be invested in short term deposits of scheduled commercial banks and liquid schemes of mutual funds
- (viii) The model may invest a part of its corpus in debt and money market instruments, in order to manage its liquidity requirements from time to time
- (ix) Any act, omission or commission of the Portfolio Manager will be solely at the risk of the Client and the Portfolio Manager will not be liable for any act, omission or commission taken or failure to act save and except in cases of negligence, willful default and/or fraud of the Portfolio Manager
- (x) The liability of the client shall not exceed his investment with Portfolio Manager
- (xi) Investments in securities are subject to market risks and there is no assurance or guarantees that the objectives of any of the models will be achieved. The past performance of the Portfolio Manager in any model/option is not indicative of the future performance in the same model/option or in any other model /option either existing or that may be offered. The name/definitions of the models/option do not in any manner indicate their prospects or returns
- (xii) Asset allocation strategy as well as the definitions such as Blue Chip, Large Cap, Mid Cap and Small Cap specified in the document may change depending on the fluctuations in the Market condition or market cap of the scrips

#### **V. CLIENT REPRESENTATION**

- (i) Details of Client Representation are available for the period upto March 31, 2008, March 31 2009, and March 31, 2010 (Refer Annexure A)





**VI. FINANCIAL PERFORMANCE**

- (i) Financial Performance of Way2Wealth Brokers Private Limited based on audited financial statements

Particulars	2009-10	2008-09	2007-08
Total Income	418,735,017	193,882,516	146,825,625
Non-cash Charges	9,781,811	10,076,953	8,055,36
Operating Profit /(Loss) Before Tax	3,799,180	(9,793,091)	15,232,960
Provision for taxation	19,60,768	(2,487,351)	2,950,172
Operating Profit / (Loss) After Tax	1,761,126	(7,885,365)	14,075,536

- (ii) Portfolio Management performance

Details of Portfolio Management Performance are available for the period upto March 31, 2008 March 31, 2009 and March 31, 2010 (Refer Annexure B)

**VII. FEES & EXPENSES**

- (i) **Investment management and advisory fees**

The Portfolio Management fees relate to the portfolio management services offered to the Clients. The fees may be a fixed charge or a percentage of quantum of the funds being managed or shall be linked to the performance of the portfolio of each Client or a combination of these

The Client would be individually intimated the fees charged to him by way of an annexure to the PMS agreement

**General**

- The Portfolio Manager shall send a monthly Portfolio statement to each client
- Any deviation on the portfolio management fees, shall be at the discretion of the Portfolio Manager

- (ii) **Depository / Custodian charges**

Charges relating to opening and operation of demat account, custodian charges, dematerialization and rematerialization, etc. shall be debited on actuals based on bills received from Depository Participant / custodian



(iii) **Registrar & Transfer Agents' charges**

Fees payable to the Registrars and Transfer Agents in connection with effecting transfer of any or all of the securities and bonds including stamp duty, cost of affidavits, notary charges, postage stamps and courier charges shall be debited on actuals based on bills received in this regard

(iv) **Brokerage and transaction cost and other Services**

Brokerage and other charges like stamp duty, transaction cost and statutory levies such as service tax, securities transaction tax, turnover fees and such other levies shall be debited on actuals based on bills received in this regard

Portfolio Manager will generally execute all broking transactions and Depository Operations under these models through itself i.e. Way2Wealth Brokers Private Limited which is registered with Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Bangalore Stock Exchange as a stock broker and is also a Registered Depository Participant (DP) in NSDL Segment. Portfolio Manager shall have the option of executing his broking transactions through any other SEBI Registered Broker and Depository Participant

Portfolio Manager will generally execute all mutual fund transactions under these models through Way2Wealth Securities Private Limited which is registered with Association of Mutual Funds of India (AMFI) bearing AMFI Certificate No. ARN 0009. Portfolio Manager shall have the option of executing mutual fund transactions through any other AMFI Registered distributor

(v) **Certification charges or professional charges**

The charges payable to outsourced professional services like accounting, taxation and any legal services, notarization, etc. shall be debited on actuals based on bills received in this regard

(vi) **Fees and charges in respect of investment in mutual funds, if any**

Expenses charged by Mutual Funds towards management fees and other incidental expenses and such fees and charges shall be debited on actuals based on bills received in this regard

(vii) **Any other incidental or ancillary expenses**

All incidental and ancillary expenses not covered but incurred by the Portfolio Manager on behalf of the Client shall be charged to the Client





## **VIII. TAXATION ASPECTS**

The Portfolio Manager shall provide information on tax deducted at source (TDS) along with the documents relating to client within a period of two months from end of each Financial Year

The statement of Account of transactions undertaken on behalf of the client for his portfolio shall be provided and documents, information relating to the Tax Deducted at Source (TDS) on such transactions shall also be provided to the client to enable him to compute his tax liability

However, the Portfolio Manager is not at all obliged to undertake tax planning of the Client. In the event of any demand being made or raised on the Portfolio Manager by any taxation or revenue authorities to pay any sums of money towards purported tax liability in connection with or arising from the Portfolio, or transactions carried out in respect thereof, the Client shall authorise the Portfolio Manager to comply with and settle the demand and pay such amount and debit the Client's account accordingly and shall indemnify the Portfolio Manager in respect of costs charges and expenses and liabilities and other amounts for taxes discharged or to be discharged by the Portfolio Manager. The client shall be liable to pay directly or reimburse any additional tax liabilities to Portfolio Managers, which could not be set off against the credit lying in the client account.

Investors are requested to consult their tax advisors for any issues relating to taxation matters.

## **IX. ACCOUNTING POLICIES**

(1) The Portfolio Manager shall:

- (a) aggregate purchase / sales of securities for economies of scale, and in such a case, it shall do inter-se allocation of securities on a pro-rata basis and at the weighted average price of the day's transactions As specified by the Institute of the Chartered Accounts of India, our portfolio management service shall maintain separate client-wise accounts
- (b) have the option of allocating purchase / sale of securities to investor's portfolio based on PMS Manager's complete discretion, wherever necessary, subject to all investor's to whom such transactions are allocated receive the same at weighted average price of execution. This would be deemed necessary in case the actual quantity acquired / sold is less than 1% of the portfolio of the Client
- (c) not keep any open position in respect of allocation of sales or purchases effected in a day
- (d) do purchase or sale transactions between that of its other customers and Client's accounts or between two Client's accounts, but the same shall be at the prevailing market prices
- (e) value the investments of each client separately on FIFO method, at the prevailing market price

(2) Accruals, accretion, benefit, allotment, calls, call refund, return, prevailing entitlement, substitute/ replacement any other benefits including dividend, interest, right, bonus, accrual in respect of client account shall be received by Portfolio Manager either in his own name or in the name of the client but in either case it shall be credited in the client's account

- (3) There has been no commercial transaction in relation with the PMS activity with the related parties as per the standard prescribed by the ICAI except for the fact that some of the key management personnel and relatives of such personnel, directors and officers of the company could also be clients of PMS Model

#### **X. SERVICES TO INVESTORS**

(a) Rights of the Investors:

- (i) A monthly Performance Review Report shall be sent to the Investor, in order to keep them updated about the status of their portfolio. The investor is also entitled to an Annual Portfolio Performance Report. These reports will also be provided as and when requested by the client
- (ii) The Investor can also avail a facility for online monitoring of the investment portfolio with a restricted access from the Portfolio Manager section on [www.way2wealth.com](http://www.way2wealth.com)
- (iii) The portfolio accounts of the Portfolio Manager shall be audited annually by an independent Chartered Accountant and a copy of the certificate issued by the Chartered Accountant shall be given to the investor
- (iv) The investor is entitled to appoint a Chartered Accountant to audit the books and accounts of the Portfolio Manager relating to his transactions and the Portfolio Manager shall co-operate with such Chartered Accountant in the course of audit
- (v) On the termination of the agreement, the Portfolio Manager shall furnish a detailed statement of accounts to the investor and settle the account with the investor
- (vi) At the end of the stipulated tenure, the investor has the option of either renewing the model or receiving the portfolio value in the form of a Cheque, Demand Draft or delivery of actual securities / receipt, depending upon the model, which he has opted for.

- (b) The details of Investor Relations Officer of the Portfolio Manager are as under:

**Mr. Mahesh Kumar C**  
**Way2Wealth Brokers Private Limited**  
Ground Floor, Frontline Grandeur,  
No 14, Walton Road, Bangalore - 560001  
Phone No: 080 4367 6869; Fax: 080 4367 6999  
Kind Attention: Portfolio Management Division

- (c) Investor Grievance Redressal Mechanism:

Where the Client has any grievances, he should promptly notify the same to the Investor's Relations Officer of Portfolio Manager in writing or e-mail us at [grievance@way2wealth.com](mailto:grievance@way2wealth.com), giving sufficient details to enable the Portfolio Manager to take necessary steps. The Portfolio Manager upon receipt of such grievance shall take prompt action to resolve the same





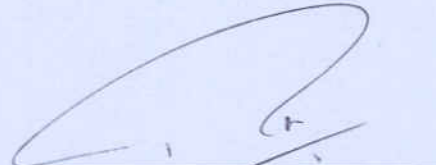
**XI. PENALTIES & PENDING LITIGATIONS**

- |       |                                                                                                                                                                                                                                                                                                                                |     |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| (i)   | Cases of penalties imposed by SEBI under the SEBI Act or any of its regulations against the Portfolio Manager                                                                                                                                                                                                                  | NIL |
| (ii)  | The nature of the penalty/direction                                                                                                                                                                                                                                                                                            | NIL |
| (iii) | Penalties imposed for any economic offence and/ or for violation of any securities laws                                                                                                                                                                                                                                        | NIL |
| (iv)  | Pending material litigation / legal proceedings against the Portfolio Manager / key personnel with separate disclosure regarding pending criminal cases, if any                                                                                                                                                                | NIL |
| (v)   | Any deficiency in the systems and operations of the Portfolio Manager observed by the SEBI or any regulatory agency                                                                                                                                                                                                            | NIL |
| (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 * | NIL |

\* The above information is to the best of the Company's knowledge and information

**Date: December 31, 2010**

**Place: Bangalore**

  
**Signature of the Principal Officer**  
**(C. K. Nithyanand)**



## XII. INSTRUCTIONS

Please read the Disclosure Document containing the terms of the Models offered by the Portfolio Manager. All applicants are deemed to have accepted the terms subject to which the services are being provided and bind themselves to the terms upon signing the Registration Form and other related documents.

Procedure for Subscribing to the Model(s):

- (i) Fill the PMS Registration form in full, specifically mentioning the Model the Client wishes to opt
- (ii) Execute a Portfolio Management Agreement on a non-judicial stamp paper, of such value as may be applicable to the respective States of the Clients
- (iii) Execute a Power of Attorney, in favour of Way2Wealth Brokers Private Limited, duly notarized on a non-judicial stamp paper of Rs. 100/-
- (iv) Fill up and sign the Bank account opening form. The basic formalities for opening the bank accounts are same for all the branches, Mumbai based or Outstation. However, in case of outstation (non-Mumbai) clients, the client's signature on the Bank account opening form should be certified by his / her existing banker
- (v) Cheques / Demand Drafts for Portfolio management are to be made out in the name of the Client. (Cheques / Demand Drafts for funds set out for initial / additional investments under Portfolio Management Scheme will be credited to a separate account, to be opened by the investor in HDFC Bank Limited / Axis Bank Limited
- (vi) Fill up and sign the Depository account opening form and depository agreement. (Securities already held by the investor and which are being offered for the model, need to be transferred to a separate account, to be opened by the investor with HDFC Bank Limited, Custody & Depository Services or Way2Wealth Brokers Private Limited or such other DP mandated for the purpose of the model)
- (vii) If the investor is offering his existing portfolio for the model, he has to provide the list of securities in the format annexed along with the agreement. The acceptance of any securities offered by the investor would be at the sole discretion of Portfolio Manager
- (viii) The Portfolio Management Service shall begin once all the formalities are complete to the satisfaction of Portfolio Manager
- (ix) WBPL will have the sole discretion regarding acceptance of a person as an investor





Way2Wealth Brokers Private Limited  
CLIENT REPRESENTATION

I)

**Wealth Escalator (Super Aggressive)**

Wealth Escalator (Super Aggressive)										
Category of clients	upto 31/03/2008			upto 31/03/2009			upto 31/03/2010			Discretionary / Non - Discretionary
	No of Clients	Funds managed		No of Clients	Funds managed		No of Clients	Funds managed		
		Value	Initial Corpus		Value	Initial Corpus		Value	Initial Corpus	
Associates / Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Others	2	173,074,392	170,322,603	2	99,216,809	177,322,603	3	194,806,750	177,822,603	Discretionary
TOTAL	2	173,074,392	170,322,603	2	99,216,809	177,322,603	3	194,806,750	177,822,603	

II)

**Wealth Optimiser (Aggressive Growth)**

Wealth Optimiser (Aggressive Growth)										
Category of clients	upto 31/03/2008			upto 31/03/2009			upto March 31, 2010			Discretionary / Non - Discretionary
	No of Clients	Funds managed		No of Clients	Funds managed		No of Clients	Funds managed		
		Value	Initial Corpus		Value	Initial Corpus		Value	Initial Corpus	
Associates / Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Others	45	164,574,206	89,349,660	29	65,884,431	65,706,823	29	117,187,921	60,744,917	Discretionary
TOTAL	45	164,574,206	89,349,660	29	65,884,431	65,706,823	29	117,187,921	60,744,917	

III)

**Wealth Weaver (Growth)**

Wealth Weaver (Growth)										
Category of clients	upto 31/03/2008			upto 31/03/2009			upto March 31, 2010			Discretionary / Non - Discretionary
	No of Clients	Funds managed		No of Clients	Funds managed		No of Clients	Funds managed		
		Value	Initial Corpus		Value	Initial Corpus		Value	Initial Corpus	
Associates / Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Others	13	1,199,937	34,393,807	12	30,359,218	29,368,120	12	56,631,114	26,903,836	Discretionary
TOTAL	13	1,199,937	34,393,807	12	30,359,218	29,368,120	12	56,631,114	26,903,836	

IV)

**Wealth Spiral ( Dynamic Fund)**

Wealth Spiral - Dynamic Fund												
Category of clients	upto 31/03/2008				upto 31/03/2009				upto March 31, 2010			Discretionary / Non - Discretionary
	No of Clients	Funds managed		No of Clients	Funds managed		No of Clients	Funds managed				
		Value	Initial Corpus		Value	Initial Corpus		Value	Initial Corpus			
Associates / Group Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL		
Others	1	59,408,534	1,200,000	26	30,634,389	45,391,934	138	213,100,490	184,060,062		Discretionary	
TOTAL	1	59,408,534	1,200,000	26	30,634,389	45,391,934	138	213,100,490	184,060,062			

Add performance of other models, if active- No other schemes are active



Way2Wealth Brokers Private Limited  
Portfolio Management Performance

Schemes	upto 31/03/2008						upto 31/03/2009						upto 31/03/2010					
	No of Clients	Value	Corpus	Annualised Return		No of Clients	Value	Corpus	Annualised Return		No of Clients	Value	Corpus	Annualised Return				
				Scheme	BSE Sensex				Scheme	BSE Sensex				Scheme	BSE Sensex			
Wealth Escalator (Super Aggressive)																		
Associates / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
Others	2	173,074,392	170,322,603	1.7%	13.8%	2	99,216,809	177,322,603	-45.0%	-38.1%	3	194,806,750	177,822,603	1.18%	0.38%			
TOTAL	2	173,074,392	170,322,603	1.7%	13.8%	2	99,216,809	177,322,603	-45.0%	-38.1%	3	194,806,750	177,822,603	1.18%	0.38%			
Wealth Optimiser (Aggressive Growth)																		
Associates / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
Others	45	164,574,206	89,349,660	2.3%	19.6%	29	65,884,431	65,706,823	-40.2%	-36.2%	29	117,187,921	60,744,917	-4.02%	0.49%			
TOTAL	45	164,574,206	89,349,660	2.3%	19.6%	29	65,884,431	65,706,823	-40.2%	-36.2%	29	117,187,921	60,744,917	-4.02%	0.49%			
Wealth Weaver (Growth)																		
Associates / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
Others	13	1,199,937	34,393,807	7.6%	20.3%	12	30,359,218	29,368,120	-41.0%	-37.7%	12	56,631,114	26,903,836	-0.16%	0.31%			
TOTAL	13	1,199,937	34,393,807	7.6%	20.3%	12	30,359,218	29,368,120	-41.0%	-37.7%	12	56,631,114	26,903,836	-0.16%	0.31%			
Wealth Spiral ( Dynamic Fund)																		
Associates / Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
Others	1	59,408,534	1,200,000	-0.01%	-14.6%	26	30,634,389	45,391,934	-23.2%	-20.7%	138	195,918,882	166,905,134	-2.86%	1.21%			
TOTAL	1	59,408,534	1,200,000	-0.01%	-14.6%	26	30,634,389	45,391,934	-23.2%	-20.7%	138	195,918,882	166,905,134	-2.86%	1.21%			

Add performance of other models, if active- No other schemes are active

Note - The computation of annualised return for the respective schemes and BSE 200 is based on XIRR







## SUNDARESHA & ASSOCIATES

CHARTERED ACCOUNTANTS

Portfolio Management Department,  
Securities and Exchange Board of India,  
Mumbai – 400051

### CERTIFICATE

In our opinion and to the best of our judgment and as per the information and explanations given to us, we have examined the "Disclosure Document" of M/s.Way2Wealth Brokers Private Limited (Portfolio Managers Registration No.INP000000829) and certify that it is true and fair and it is adequate to enable the investor to make a well informed decision.

For SUNDARESHA & ASSOCIATES,  
Chartered Accountants,  
(Firm Registration No.008012S)

Place: Bangalore

Date : 28.01.2011





**WAY2WEALTH**  
a COFFEE DAY venture

**FORM C**

**SECURITIES AND EXCHANGE BOARD OF INDIA  
(PORTFOLIO MANAGERS) REGULATIONS, 1993  
(Regulation 14)**

Way2Wealth Brokers Private Limited  
Ground Floor, Frontline Grandeur,  
No 14, Walton Road, Bangalore - 560001  
Phone : (080) 43676869; Fax : (080) 43676999  
Website: [www.way2wealth.com](http://www.way2wealth.com)

We confirm that:

- (i) the Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
- (ii) the disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us/ investment in the Portfolio Management Scheme;
- (iii) the Disclosure Document has been duly certified by an independent firm of Chartered Accountants, M/s. Sundaresha & Associates, Chartered Accountants, "Professional Court", 1<sup>st</sup> Floor, No. 27/7, 15<sup>th</sup> Cross, 3<sup>rd</sup> Block, Jayanagar, Bangalore 560011 (Membership No. 08012S) on January 28, 2011. A copy of the Chartered Accountant 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 is enclosed herewith

Date: January 28, 2011  
Place: Bangalore

Signature of the Principal Officer: \_\_\_\_\_

Name & Address of Principal Officer: **Mr. C K Nithyanand**  
**Director**

Way2Wealth Brokers Private Limited  
Ground Floor, Frontline Grandeur,  
No 14, Walton Road,  
Bangalore - 560001



**Way2Wealth Brokers Private Limited**

**Corporate Office :** Unit 4072-75, 4th Flr., B Wing, Oberoi Gardens Estate, Off. Chandivli Farms Rd., Chandivli, Andheri (E), Mumbai 400 072. Tel.: 022 4084 3900 Fax : 4084 3916

**Registered Office :** Frontline Grandeur, Ground Floor, No.14, Walton Road, Bangalore - 560 001 Tel.: 080 4367 6869 / 2212 1512 / 1952 Fax : 080 4367 6999

Website : [www.way2wealth.com](http://www.way2wealth.com)



**FORMAT I : ACCOUNT OPENING FORM FOR PMS**



**GERERAL INFORMATION OF THE CLIENT**

NAME OF THE CLIENT:

MAILING ADDRESS:



PAN:

PROOF OF IDENTITY:

- ☐ Driving License      ☐ Copy of Passport      ☐ Bank Passbook
- ☐ Voters ID/Election Card

OCCUPATION

INTRODUCER DETAILS:  
(Name and Full Address)

ANNUAL INCOME:

- ☐ 10-25 Lacs      ☐ 25-50 Lacs      ☐ More than 50 Lacs

(For Last 3 Financial years and the Networth as on last date of respective years .)  
(Optional)

## **INVESTMENT PROFILE OF THE CLIENT**

INVESTMENT EXPERIENCE REGARDING SECURITIES:

INDICATIVE PERCENTAGE OF TOTAL INVESTMENT PORTFOLIO PROPOSED TO BE INVESTED WITH THE PORTFOLIO MANAGER (OPTIONAL):

OVERALL INVESTMENT GOALS:

(Such as Capital Appreciation, Capital Appreciation & Regular Income, and Regular Income)

RISK TOLERANCE

☐ Low      ☐ Medium      ☐ High

TIME PERIOD FOR WHICH INVESTMENTS ARE PROPOSED TO BE MADE WITH THE PORTFOLIO MANAGER

☐ 1 year      ☐ 2 years      ☐ 3 years      ☐ More than 3 years

PROVISION FOR SYSTEMATIC WITHDRAWAL:

☐ Monthly      ☐ Quarterly      ☐ Annual Basis

## **DETAILED INVESTMENT OBJECTIVES OF THE CLIENT**

- ☐ Equity : Nature of Equities in which investments are desired, may be indicated
- ☐ Balanced: Percentage of Debt/Equity.
- ☐ Debt: Government Bonds, Corporate Debt
- ☐ Mutual Funds, Venture Funds Etc
- ☐ Others

**Date :**

**Place :**

**Signature of the client**



Date :

TO:

The Principal Officer  
Way2Wealth Brokers Private Ltd  
No 14, Ground Floor,  
Frontline Granduer, Walton Road  
Bangalore-560001

Dear Sir,

**Subject : Acknowledgement**

We / I .....

Address:.....

.....

Confirm the receipt of Disclosure Document provided by Way2Wealth Brokers Private Limited for the Portfolio Management Service offered by the company having read and understood the contents of the same.

Thanking you,

Yours Faithfully,

X

Signature of the client