



INVESTMENT MANAGEMENT SERVICE

IMS -- Frequently Asked Questions

Why Investment Management Service?

Investment Management Service is a customized wealth management solution for investors seeking to enjoy flavour of equity as an asset class with a long term investment objective. Investment Management Service is an ideal vehicle for wealth creation with the help of expert knowledge of focused fund managers blended with a customized approach towards equity investments depending Upon individuals risk appetite and investment preference.

Investment Management Service is a unique solution for those who are looking forward to tap the growth opportunities in the financial markets but do not have the time and specialized skills required for the same. At BDSSL we provide solutions which will help you relax while your money continues to work for you through the BDSSL Value Investment Management Service.

1. What is the difference between a discretionary and a non-discretionary IMS?

The discretionary IMS, manager independently manages the funds of each client in accordance with the needs of the client in a manner, which does not partake character of a Mutual Fund. The client cannot have control over the decisions taken for the management of his/her portfolio.

On the other hand, the non-discretionary IMS manager only provides IMS services to the client where the client retains the decision-making powers in the portfolio. We offer Discretionary Investment Management Service.

2. How can I introduce my initial corpus?

Initial corpus can be brought into the INVESTMENT MANAGEMENT SERVICE by way of either Cash and or securities/shares. The initial portfolio of securities/shares will be re-aligned as per the model. We sell shares as required to get the holdings re-aligned to our model portfolio.

3. Is there any minimum amount that has to be invested? If yes, how much

The minimum investment is Rs 10 Lakhs.

4. Do you guarantee the initial corpus and any 'return' thereon?

As per regulations governing Investment Management Service in India, returns cannot be guaranteed. We shall endeavor to out perform the benchmark indices like sensex & Nifty but there can be no guarantee or certainty of the same. We believe, over long term, equities performance will track corporate performance. Therefore historical trends indicate that well managed portfolio in Indian equities can yield approx. 15-18% p.a. returns. However the future returns may be very different for market risk as well as risk with any IMS MANAGER's judgment.



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5. Is there a maximum limit for investing in the IMS?

There is no upper limit on the amount you can invest in the IMS.

6. What is the time horizon?

In most of our schemes the ideal time horizon for a equity portfolio is at least 12-18 months.

7. Does the INVESTMENT MANAGEMENT SERVICE have any lock-in period?

The INVESTMENT MANAGEMENT SERVICE has no lock-in period you can exit at any point of time. However, the ideal time frame is 12 – 18 months as equities outperform most other asset classes only in the long run.

8. What is your investment philosophy?

We invest as per objectives of a particular portfolio. We typically pay more attention on technical with a parallel study of the company's fundamentals and valuations. Our portfolio does not mimic indices.

9. At what frequency, can I see my NAV, positions and transactions?

You can check your portfolio on a daily basis by logging on to our website <http://bdshah.com>. In addition, you get monthly statements of transactions, holdings etc. You can also access these reports online.

10. Is the payment upfront?

Yes, the payment has to be made upfront. One can introduce any additional amount later on.

11. Will the Contract Notes be available in physical form or online?

The Contract notes and other statements will be available online (either by email or via our website). In case one desires for a physical copy of the same, then the charges of Rs. 25/- per page plus courier charges at actual shall be applicable.

12. Are there different forms for different funds?

No, the same form can be used for any scheme chosen.

13. Is there any pre-decided percentage of amount by which we will be compulsorily invested at any given time?

No. The fund manager will invest according to the market conditions. We can sit on 100% cash also some time.



14. Can I specify investments that I want or don't want to hold?

Since we offer only Discretionary Investment Management Service, the discretion to invest primarily lies with the IMS MANAGER. Any securities/ shares handed over as initial portfolio will be aligned to the model. Therefore, it is advisable that you should hand over only those securities/ shares, which you are willing to sell and retain the ones you want to hold.

15. In whose name investment will be made?

All investments will be made directly in the Client's Account and the deliveries shall be transferred to their respective demat account with BDSSL DP.

16. What is the paperwork and documentation needed to open a IMS account?

Documents required: Account opening form (Trading and Demat) and the risk disclosure. Address proof/Identity proof /Pan card copy/Bank statements.

17. Do I need to have Permanent Account Number?

PAN card copy is compulsory.

18. Can you give scrip's instead of funds then how will the scrip's be valued?

The stock valuations will be taken when it is received in the Demat Account. The value of investment might fluctuate due to transaction incurred to re-align the portfolio with the scheme.

19. What is the Fee Structure for IMS? Fee Structure:

Annual AUM maintenance charges payable quarterly, brokerage on trades done DP charges and statutory charges and taxes as applicable.

20. Can I withdraw my profit any time?

Yes one can withdraw the funds including profits partially / fully at any point of time subject to maintenance of minimum ticket size (Rs. 10 lakhs)

21. What if I terminate from the IMS before one year?

One can terminate from IMS at any time; charges as agreed would be applicable

22. How regularly can I get updates on my portfolio?

One can regularly be updated on their portfolio by checking the same either in the demat account or by logging in to their account on www.bdshah.com

23. Where will you invest my money?

At BDS Shah INVESTMENT MANAGEMENT SERVICE, the Relationship Manager will discuss with you at length your financial goals and engineer a portfolio. Later on investment will be made according to the scheme objective.

24. Do you indulge in day trading under IMS?

Our INVESTMENT MANAGEMENT SERVICE is designed from a long-term perspective and we will invest in accordance with the objectives of each portfolio. It is advisable to keep any equity portfolio invested over a longer term because in the long run, Equities outperform most other asset classes. But our focus shall be on the returns on investment and if the expected returns are achieved within the same trading session, then the same will be squared up in day trading.

25. Do you invest in IPO's?

No we do not invest in IPOs

26. Do you invest in Derivatives (Futures/Options)?

No, derivatives investment if desired by the client shall be done under the separate portfolio.

27. Do you invest in debt instruments? What proportion?

Part of the portfolio might be invested in debt or liquid fund till the time felt necessary.

28. What are the tax implications of investments in IMS?

Client will be taxed as per the normal slabs applicable to him / her/ it, as the investments shall be done in the client's account only.

29. How will I know my tax status?

We expect all clients to consult their tax consultant before investing into any form of securities.

30. Can a NRI avail of the INVESTMENT MANAGEMENT SERVICE?

The Investment Management Services is open for all Indian nationals, resident or otherwise. NRIs will have to open a PIS Account in order to invest in the IMS scheme, which facility we will provide to all NRIs.



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31. What is PIS?

In order to invest in the Secondary Markets in India, NRIs need to obtain RBI permission. In order to do so, a Bank account with a designated bank has to be opened under Portfolio Investment Scheme (PIS) and all the transactions related to the investment in secondary markets need to be routed through this account.

32. What would the IMS MANAGER do in case of falling markets?

To begin with we will assess the situation on two parameters Whether the fall is a mere correction Signal of reversal of trend Based on our assessment of the fall, we will accordingly decide on the necessary course of action. In the first instance, depending on the anticipated extent of the correction, we may increase the percentage of cash in the portfolio. Since our focus is always to invest in those companies which are available at an attractive valuation, we believe that in the long term, any stock will always seek its fair valuation which is unaffected by corrections in the market. If however, we see signs of a trend reversal; our focus may change to increasing the cash component and restrict investments to defensive sectors which have low beta relative to the markets.

33. Do you charge any entry or exit load akin to a Mutual Fund?

We do not charge any entry or exit load. Our charges are transparent and are described in the document we sign for starting the account.

Disclaimer: Investors are not being offered any guaranteed / assured returns. Investments in securities are subject to market risks. The value of investments may go up or down depending on the various factors and forces affecting the capital markets. Past Performance of BDSSL Investment Management Service does not indicate the future performance of our Investment Management Service. Investors are urged to read the Disclosure Document before signing the agreement. Our Investment Management Service is offered to investors who clearly understand the long-term potential of equities and the associated risks.