FORM C

Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

[Regulation 22]

Alpha Alternatives Fund Advisors LLP

Registered office: 34th floor, Sunshine Tower, Senapati Bapat Marg, Dadar West, Mumbai 400 013 India

Email: info@alt-alpha.com | Phone: +91 22 6145 8900

We confirm that:

i) 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;

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 through the Portfolio Manager.

iii) the Disclosure Document has been duly certified by an independent chartered accountant:

Firm name: Ambavat Jain & Associates LLP,

Address: 40 Morarji Velji Building, 1st floor, 9/15, Dr. M. B. Velkar Street, Kalbadevi, Mumbai 400002.

Phone: +91 22 43153000

Firm registration number: 109681W

Date if certification: February 25, 2021

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.

Date: February 25, 2021

Place: Mumbai

Signature of the Principal Officer

Prashant Mohanraj

34th floor, Sunshine Tower, Senapati Bapat Marg,
Dadar West, Mumbai 400 013

ALPHA ALTERNATIVES FUND ADVISORS LLP

DISCLOSURE DOCUMENT

As required under Regulation 22 (3) of Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020

(i) This Disclosure Document has been filed with the Securities and Exchange Board of India ("**SEBI**") along with the certificate (Form C) in the specified format in terms of Regulation 22 (3) of the SEBI (Portfolio Managers) Regulations, 2020.

(ii) The purpose of this Disclosure Document is to provide essential information about the portfolio management services in a manner to assist and enable the investors in making informed decision for engaging Alpha Alternatives Fund Advisors LLP (hereinafter referred to as "**Portfolio Manager**") as the portfolio manager.

(iii) This Disclosure Document contains the necessary information about the Portfolio Manager required by an investor before investing, and the investor may also be advised to retain this Disclosure Document for future reference.

(iv) The name, phone number, e-mail address of the principal officer so designated by the Portfolio Manager are given below:

PRINCIPAL OFFICER	**PORTFOLIO MANAGER**
Name : Mr. Prashant Mohanraj	**Name**: Alpha Alternatives Fund Advisors LLP
Phone : 022-61458933	**Registered Address**: 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013
E-Mail : prashant@alt-alpha.com	**Correspondance Address:** 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013

Date: February 25, 2021

Place: Mumbai

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1. Disclaimer clause

This Disclosure Document has been prepared in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020 as amended from time to time and filed with SEBI. This Disclosure Document has neither been approved nor disapproved by SEBI nor has SEBI certified the accuracy or adequacy of the contents of the Disclosure Document.

Alpha Alternatives Fund Advisors LLP ("**Portfolio Manager**") has based this Disclosure Document on information obtained from sources it believes to be reliable but which it has not independently verified and hence makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The information contained in this Disclosure Document is based upon publicly available information at the time of publication, which is subject to change from time to time.

This Disclosure Document is for information purposes only and should not be construed as an offer or solicitation of an offer for managing the portfolio of any Client. It does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. Clients should seek financial advice regarding appropriateness of investing in any securities or investment strategies that may have been discussed or recommended in this Disclosure Document and should understand that the views regarding the future prospects may or may not be realized.

Neither this Disclosure Document nor the product offerings have been registered in any jurisdiction other than in India.

2. Definitions

Unless the context or meaning thereof otherwise requires, the following expressions shall have the meaning assigned to them hereunder respectively:

(i) "**Act**" means the Securities and Exchange Board of India Act, 1992;

(ii) "**Applicable Laws**" means any applicable Indian statute, law, ordinance, regulation including the Regulations, rule, order, bye-law, administrative interpretation, writ, injunction, directive, judgment or decree or other instrument which has a force of law in India, as is in force from time to time.

(iii) "**Chartered Accountant**" means a Chartered Accountant as defined in clause (b) of sub-section (1) of Section 2 of the Chartered Accountant Act, 1949 and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;

(iv) "**Client**" means any individual, body corporate, partnership firm, Hindu Undivided Family (HUF), association of persons, trust, partnerships, limited liability partnership, limited liability companies, sole proprietorship, societies and/or such other Person as may be

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permitted by the Regulations and under Applicable Laws, who enters into agreement with the Portfolio Manager for the managing of his/its Portfolio;

(v) "**Client Agreement**" means the agreement entered into between the Portfolio Manager and its Client as amended, modified, supplemented or restated from time to time together with all annexures, schedules and exhibits, if any;

(vi) "**Disclosure Document**" means this disclosure document filed by the Portfolio Manager with SEBI and made available on the website of the Portfolio Manager, as may be amended from time to time;

(vii) "**Goods**" means the goods notified by the Central Government under clause (bc) of section 2 of the Securities Contracts (Regulation) Act, 1956 and forming the underlying of any commodity derivative;

(viii) "**Person**" means any individual, partnership, company, body corporate, co-operative society, corporation, trust, society, HUF or any other body of persons, whether incorporated or not;

(ix) **"PMS"** means the portfolio management services provided by the Portfolio Manager in accordance with the terms and conditions set out in the Client Agreement, Disclosure Document and subject to Applicable Laws.

(x) "**Portfolio**" means the total holding of all investment, Securities, Goods and funds managed / advised by the Portfolio Manager on behalf of the Client pursuant to the Client Agreement and includes any Securities, Goods and funds that may be managed / advised by the Portfolio Manager under the Client Agreement;

(xi) "**Portfolio Manager**" means Alpha Alternatives Fund Advisors LLP who, pursuant to a contract or arrangement with a Client, advises or directs or undertakes on behalf of the Client (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of Securities or Goods or the funds of the Client, as the case may be. Provided that the Portfolio Manager may deal in Goods received in delivery against physical settlement of commodity derivatives;

(xii) "**Principal Officer**" means an employee of the Portfolio Manager who has been designated as such by the Portfolio Manager and is responsible for:

(i) the decisions made by the Portfolio Manager for the management or administration of the Portfolio of the Client, as the case may be; and

(ii) all other operations of the Portfolio Manager.

(xiii) "**SEBI**" means the Securities and Exchange Board of India;

(xiv) "**Regulations**" means the SEBI (Portfolio Managers) Regulations, 2020, as may be amended from time to time and including any circulars/notifications issued pursuant thereto; and

(xv) "**Securities**" shall mean and include securities listed or traded on a recognized stock exchange, money market instrument, units of mutual funds or other securities as specified by SEBI from time to time.

3. Description

(i) History, Present Business and Background of the Portfolio Manager

The Portfolio Manager is an LLP, owned 99.90% by Alpha Alternatives Holdings Pvt. Ltd. ('Alpha Alternatives') and 0.10% by Mr. Naresh Kothari. The registered office address of the Portfolio Manager is situated at 34th Floor, Sunshine Towers, Dadar West, Mumbai - 400013.

The partners of the Portfolio Manager are Alpha Alternatives (represented by Mr. Ashim Sahni in the capacity of nominee) and Mr. Naresh Kothari.

Alpha Alternatives is a multi-asset class asset management firm that creates sophisticated investment solutions for proprietary and client capital.

Experience in Equities: The Portfolio Manager has more than 18 years of experience across MNCs, large Indian banks and investment boutiques in trading and capital markets and has extensive experience in quant investing, derivative strategies, special situations, long-only and long/short portfolios. Over this period the Portfolio Manager has demonstrated ability to recognize and understand the circumstances giving rise to the temporary inefficiencies in capital markets and capitalize on the same in a timely fashion.

Experience in Commodities: The Portfolio Manager has more than 5 years of experience of managing proprietary capital and executing various strategies across physical and exchange traded commodities. During this period the Portfolio Manager has developed a deep understanding of commodity, commodity derivatives and commodity cycles and has established extensive relationships with warehousing agencies and other participants across the value chain.

(ii) Promoters/ Partners of the Portfolio Manager and their background

1. Alpha Alternatives Holdings Private Limited: A multi-asset class management firm creating sophisticated investment solutions for proprietary and client capital. Established in 2013, Alpha Alternatives is actively building investment solutions in commodities, equities, fixed income & currency markets and structured credit & stressed assets.

2. Naresh Lakshman Singh Kothari: Experience of over 20 years across institutional equities, investment banking, equity investing and equity capital markets. He has committed/ invested significant amounts of proprietary capital in areas of commodities and equity.

(iii) Top 10 group companies/firms of the portfolio manager on turnover basis (latest audited financial statements may be used for this purpose):

1. NCUBE VENTURES LLP
2. THIRD ALPHA LLP
3. ALPHA ALTERNATIVES HOLDINGS PVT LTD
4. ALPHA ALTERNATIVE INVESTMENT ADVISORS LLP
5. THIRD EDGE ADVISORS LLP
6. ALPHA ALTERNATIVES FINSERVE SOLUTIONS LLP
7. SILVERLEAF OAK ADVISORS LLP
8. EBONY ADVISORS LLP
9. AGRI COMMODITY ALPHA LLP
10. SILVIA VENTURES LLP

(iv) Details of the services being offered: Discretionary/ Non-discretionary / Advisory.

(a) Discretionary services:

- Under these services, the Portfolio Manager shall have the sole and absolute discretion to invest the Client's funds in any type of Securities as per the respective Client Agreements. The Securities invested/disinvested by the Portfolio Manager for Clients in the same product may differ from one Client to another.

- The Portfolio Manager will provide discretionary portfolio management services which shall be in the nature of investment management, and may include the responsibility of managing, reviewing and reshuffling the Portfolio, buying and selling Securities, accounting, recording of corporate benefits, valuation, reporting and safe keeping of Securities for an agreed fee structure and for a definite period as set out in the Client Agreement.

- The Portfolio Manager shall exercise its rights strictly in accordance with the Client Agreement and Applicable Laws. Periodical statements in respect of the Client's assets under management shall be sent to the respective Clients in accordance with the Regulations.

- The Portfolio Manager's decision (taken in good faith) in deployment of the Client's account is absolute and final and cannot be called in question or be open to review at any time during the currency of the Client Agreement or any time thereafter except on the grounds of fraud, or willful misconduct.

(b) Non-discretionary services:

- Under these services, the Portfolio Manager shall manage the funds of the Client in accordance with written directions and instructions of the Client subject to the provisions of the Client Agreements. The investments will be made with the Client's

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written consent and the Client shall be wholly responsible for all decision pertaining to his/her/its investments.

- The Portfolio Manager will provide non-discretionary portfolio management services which shall be in the nature of investment management and may include the responsibility of managing, reviewing and reshuffling the Portfolio, buying and selling the Securities with the Client's written consent. The Portfolio Manager will also keep the safe custody of the Securities and monitor book closures, record corporate benefits and any other benefits that may accrue to the Client's Portfolio for an agreed fee structure and for a definite period as set out in the Client Agreement, solely and entirely at the Client's risk.

(c) Advisory services:

- The Portfolio Manager will provide investment advisory services in terms of the Regulations which shall be in the nature of non-binding investment advice and may inter alia include advisory for buying and selling Securities and Goods for an agreed fee structure and for a defined period, entirely at the Client's risk. The Portfolio Manager may provide advice for investment upto 25% of the assets under management of such Client in unlisted securities. The Portfolio Manager shall be solely acting as an advisor to the Portfolio of the Client and shall not be responsible for the investment / divestment of Securities and Goods and / or any administrative activities on the Client's Portfolio. 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.

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

(i) All cases of penalties imposed by SEBI or the directions issued by SEBI under the Act or the Regulations.: **NIL**

(ii) The nature of the penalty/direction.: **N.A.**

(iii) Penalties imposed for any economic offence and/ or for violation of any securities laws.: **NIL**

(iv) Any 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 SEBI or any regulatory agency.: **NIL**

(vi) Any enquiry/adjudication proceedings initiated by SEBI 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**

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5. Services offered

(i) The present investment objectives and policies including the types of securities in which it generally invests shall be clearly and concisely stated in the document for easy understanding of the potential investor.

(a) Discretionary Services

- **Value Compounder Strategy:** Under the Value Compounder Strategy, the Portfolio Manager aims to generate capital appreciation through core investment strategy of investing in stocks with a significant margin of safety i.e. stocks with trading values materially lower than their intrinsic values. The strategy aims to achieve high rates of return over a medium-long term horizon.

- **Special Situations Strategy:** Under the Special Situations Strategy, the Portfolio Manager aims to generate absolute returns through core investment strategy of investing in stocks with event arbitrage/special situations in the listed capital markets by using equity and derivative instruments. These opportunities arise typically through corporate events like mergers, acquisitions, delisting, buy-backs, dividends, rights issues, etc.

- **Systematic Equity Strategy**: Under the Systematic Equity Strategy, the Portfolio Manager will aim to generate long-term capital growth from a portfolio of listed equities through a quantitatively defined process of systematic security selection and weighting, as may be permitted under the Applicable Laws. This strategy seeks to capitalize on growth by predicating on strong macro-economic factors and focusing on a large number of fast growing, high-quality, well-managed, stable returns-focused companies that are available at relatively cheap valuations across a wide variety of sectors, giving Investors an opportunity to generate superior returns.

(b) Advisory Services

- **Equity Advisory Services:** The Portfolio Manager will provide Advisory Services 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 Securities. Under the advisory services, the Portfolio Manager will advise Clients on various asset classes which varies from investment into equities (large cap, mid cap, small cap), derivative instruments, structured products, mutual funds, fixed income securities etc. based on the investment needs and objectives of the Client, with the investment decision resting with the Client.

- **Commodity Advisory Services:** The Portfolio Manager will provide Advisory Services 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 Goods and exchange traded commodity derivatives based on the

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investment needs and objectives of the Client, with the investment decision resting with the Client.

(ii) Investment Approach of the Portfolio Manager

Please refer to **Annexure A** for details related to the investment approach of the Portfolio Manager.

(iii) The policies for investments in associates/group companies of the Portfolio Manager and the maximum percentage of such investments therein subject to the applicable laws/regulations/ guidelines.

Not applicable.

(iv) Distributors: The Portfolio Manager may (i) appoint channel partners/distributors to on-board the Client or (ii) On-board the Client directly without intermediation of any channel partners/distributors.

6. Risk factors

The risk factors outlined below do not purport to be a complete enumeration or explanation of the risks involved in an investment. Additional risks and uncertainties not presently known to the Portfolio Manager, or that it currently deems immaterial may also have an adverse impact on the Client's Portfolio.

(i) General Risk Factors

a. Securities investments are subject to market risk and there is no assurance or guarantee that the objectives of the PMS will be achieved.

b. Past performance of the Portfolio manager does not indicate the future performance.

c. As with any investment in securities, the Net Asset Value (NAV) of the portfolio can go up or down depending on the factors and forces affecting the capital market.

d. The investment made by the Portfolio Manager is subject to the risk arising from the investment objective, investment strategy, asset allocation and non-diversification if any.

e. Investment decisions made by the Portfolio Manager may not always be profitable, as actual market movements may be at variance with anticipated trends.

f. The Portfolio Manager is neither responsible nor liable for any losses resulting from the operations of the products being offered by the Portfolio Manager save and except in cases of willful default and/or fraud of the Portfolio Manager.

g. The names of the products/services do not in any manner indicate their prospects or returns. The performance may be adversely affected by the performance of individual companies, changes in the market place and industry specific and macro-economic factors.

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h. The NAV / Portfolio may be affected by changes in settlement periods and transfer procedures.

i. Investments in the products/services which the Clients have opted are subject to wide range of risks which inter alia also include but not limited to economic slowdown, volatility and illiquidity of Securities and Goods, poor corporate performance, economic policies, changes of Government and its policies, natural calamities/ acts of God, acts of war, civil disturbance, sovereign action, technology updation/obsolescence, policy and legislative changes in local and international markets and for such other acts/ circumstance beyond the control of the Portfolio Manager which would affect the principal and returns on the Securities subscribed by the Portfolio Manager.

j. Engaging in securities lending is subject to the risks related to fluctuations in collateral value /settlement/liquidity/counter party.

k. The Portfolio Manager may not get an opportunity to deploy the Client's funds/ advise on opportunities for deployment or there may be delay in deployment. In such situation the Clients may suffer a loss of opportunity.

l. The Portfolio Manager and its affiliates are engaged in a broad spectrum of activities in the portfolio management and financial services sectors. There may be instances where the interests of the Portfolio Manager and its affiliates may conflict with the interests of the Client.

m. There might be instances wherein a conflict may arise in transactions of purchase and/or sale of Securities by the Portfolio Manager and employees who are directly involved in investment operations in relation to a Client's Portfolio. All such transactions shall be disclosed to the Client.

(ii) Other risks arising from the investment objectives, investment strategy, Investment Approach and asset allocation are stated as under:

Market Risks

a. Investments are subject to market risk and there is no assurance or guarantee that the objectives of the investments will be achieved. The various factors which may impact the value of the Portfolio Manager's investments include, but are not limited to, fluctuations in the equity and bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in applicable laws and government policies and regulations, factors specific to the issuer of securities, liquidity of the investment, settlement systems, trading volumes, interest rates, etc. The Portfolio Manager does not guarantee or assure any returns.

b. The investment in Indian capital market involves above average risk for Client's compared with other types of investment opportunities. Investments can be of a longer duration as compared to other short term investment / trading opportunities. There is a possibility of the value of investment and the income therefrom falling as well as rising depending upon

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the market situation. There is also risk of total loss of value of an asset including the possibility of being required to go through a legal process for recovery of loss in investments.

India Related Risk

c. Political instability or changes in the government could adversely affect economic conditions in India generally and the Portfolio Manager's business in particular. The portfolio entity's business may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. Nevertheless, the government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Moreover, there can be no assurance that such policies will be continued and a change in the government's economic liberalization and deregulation policies in the future could affect business and economic conditions in India and could also adversely affect the Portfolio Manager's financial condition and operations. Future actions of the Indian central government or the respective Indian state governments could have a significant effect on the Indian economy, which could adversely affect private sector companies, market conditions, prices and yields of the portfolio entity/ies.

Inflation and rapid fluctuations in inflation rates have had, and may have, negative effects on the economies and securities markets of the Indian economy. International crude oil prices and interest rates will have an important influence on whether economic growth targets in India will be met. Any sharp increases in interest rates and commodity prices, such as crude oil prices, could reactivate inflationary pressures on the local economy and negatively affect the medium-term economic outlook of India.

Many countries have experienced outbreaks of infectious illnesses in recent decades, including severe acute respiratory syndrome and COVID-19. COVID-19 outbreak has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The ongoing spread of the COVID-19 has, had, and will continue to have a material adverse impact on portfolio entities, local economies and also the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. Additionally, the Portfolio Manager's operations could be disrupted if any of its member or any of its key personnel contracts the COVID-19 and/or any other infectious disease. Any of the foregoing events could materially and adversely affect the Portfolio Manager's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences may arise with respect to other comparable infectious diseases.

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Tax Risks

d. The arrangement of managing of funds from various Clients and investing them in Securities could be construed as an 'Association of Persons' (AOP) in India under the provisions of the Income-tax Act, 1961 and taxed accordingly.

e. Changes in state and central taxes and other levies in India may have an adverse effect on the strategies. The Government may impose various taxes, duties and other levies that could affect the performance of the strategies. An increase in these taxes, duties or levies, or the imposition of new taxes, duties or levies in the future may have a material adverse effect on the Client's Portfolio's profitability. Furthermore, the tax laws in relation to the Client's Portfolio are subject to change, and tax liabilities could be incurred by Client as a result of such changes.

f. The legal and tax implications described in this Disclosure Document are based on the provisions of the prevalent laws. The information is not exhaustive and is given for general purpose only and based on advice received by the Portfolio Manager on the prevalent laws and practice in India. Such laws or their interpretation are subject to change. Client is advised to consult his/her/its own professional legal and tax advisors.

Legal Risks

g. *Bankruptcy of portfolio entity:* Various laws enacted for the protection of creditors may operate to the detriment of the PMS if it is a creditor of a portfolio entity that experience financial difficulty. For example, if a portfolio entity becomes insolvent or files for bankruptcy protection, there is a risk that a court may subordinate the investment made under the PMS, to other creditors. If the PMS/Client holds equity securities in any portfolio entity that becomes insolvent or bankrupt, the risk of subordination of the PMS's/Client's claim increases.

h. *Change in Regulation:* Any change in the Regulation and/or other Applicable Laws or any new direction of SEBI may adversely impact the operation of the PMS.

Risks related to investment in debt instruments

i. Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the NAV of the portfolio may be subject to the fluctuation.

j. Investments in debt instruments are subject to reinvestment risks as interest rates/ yields prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

k. The product/services may invest/recommend investment in non-publicly offered debt securities and equity securities. This may expose the portfolio to liquidity risks. Additionally,

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the Clients may not be able to avail of securities transaction tax credit benefit and/ or tax deduction at source (TDS) credit and this may result in an increased incidence of tax on the Clients.

l. The Portfolio Manager may, considering the overall level of risk of the Portfolio, invest in lower rated/unrated securities offering higher yield. This may increase the risk of the Portfolio. Such investments shall be subject to the scope of investments as laid down in the Client Agreement.

Risks related to equity and equity linked instruments

m. Equity and equity related securities by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.

n. In domestic markets, there may be risks associated with trading volumes, settlement periods and transfer procedures that may restrict liquidity of investments in equity and equity related securities.

o. In the event of inordinately low volumes, there may be delays with respect to unwinding the Portfolio and transferring the redemption proceeds.

p. The value of the Client's Portfolio, may be affected generally by factors affecting securities markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the government, taxation laws or policies of any appropriate authority and other political and economic developments and closure of stock exchanges which may have an adverse bearing on individual securities, a specific sector or all sectors including equity and debt markets. Consequently, the Portfolio valuation may fluctuate and can go up or down.

Risks Related to investment in derivative instruments

q. The product/services may use/recommend derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under Applicable Laws. Usage of derivatives will expose the Portfolio to certain risk inherent to such derivatives. Derivative products are specialized instruments and require investment techniques and risk analyses different from those associated with stock and bonds. Derivatives are highly leveraged instruments and therefore, the use of derivatives requires a high degree of skill, diligence and expertise. Small price movement in the underlying security could have a large impact on their value. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. As and when the products trade in the derivatives market there are risk factors and issues concerning the use of derivatives that Clients should understand.

Risks related to investment in commodities

r. Commodity markets are volatile and may decline significantly in response to adverse geopolitical, regulatory, market or economic developments. Different parts of the market and different types of commodity linked securities may react differently to these developments. For example, oil may react differently than metals. Geopolitical, or economic developments may affect a single commodity, commodities within a sector or the market as a whole. Commodities listed on Indian commodity exchanges may have low liquidity and trading volumes. There can be no assurance that sales on the Indian commodity exchanges will provide a viable exit mechanism.

s. Risk of Higher or Lower Volatility: Volatility in thinly traded commodities is usually greater than in actively traded commodities/contracts. Accordingly, orders on the commodity exchanges may not be executed or partially executed, or losses may be incurred as a result of the substantial difference between the price at which the order is executed and the last traded price.

t. In case of certain situations, there may be an order passed by a local, state, central government or any judicial or regulatory authority imposing restrictions on holdings of commodities upto a particular threshold. Any holdings in excess of the threshold may be seized by the said authorities or may have to be disposed immediately. The same could lead to losses on the Portfolio advised by the Portfolio Manager.

u. In an event of war or any other unforeseen event the exchange may cease to exist / be rendered dysfunctional leading to losses on the Portfolio advised by the Portfolio Manager.

v. There have been instances in the past where a commodity witnessing steep price movements was delisted for a brief period by a regulator / exchange. There can be no assurances that delisting of certain commodities by a regulator / exchange amidst very high volatility may not occur again. Accordingly, the Portfolio may suffer losses or may remain unhedged till the time the relevant commodity is listed or the underlying commodity is disposed by the Client.

w. Most of the exchanges have a facility for investors to place "limit orders", "stop loss orders" etc. Placing of such orders (e.g. "stop loss" orders or "limit" orders) which are intended to limit losses to certain amounts may not be effective many a times because rapid changes in market conditions may make it impossible to execute such orders.

x. Risk of News Announcements: News announcements may impact the price of the commodities and/or commodity derivatives contracts. These announcements may occur during trading and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the commodity/commodity derivatives contract.

y. Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a commodity due to any action on

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account of unusual trading activity or price hitting circuit filters or for any other reason.

z. Exchange may take steps, such as, changes in the margin rate, increase in the cash margin rate etc. from time to time. These new measures may be applied to the existing open interests. In such conditions, the participants will be required to put up additional margins or reduce their positions. These could lead to losses on the investments.

Risk Factors associated with investments in units of Mutual Fund

aa. Mutual funds invest across equity, money market & debt instruments. The risk factors affecting such instruments are mainly as follows- Market risk, inflation risk, interest rate risk, currency risk, credit risk, regulatory/legal risk.

bb. The Portfolio Manager may, from time to time, invest any un-deployed funds in liquid schemes of mutual funds or in money market instruments. 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.

cc. Liquid fund returns are not guaranteed and it entirely depends on market movements.

Risks Related to Exchange/System/Network Congestion

dd. Trading on exchange is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any such other problem whereby the Portfolio Manager is not able to establish access to the trading system/ network, which may be beyond the control of the Portfolio Manager and may result in delay in processing or not processing buy or sell orders whether in part or in full. Similarly, there could be issues in payment and settlement systems as well which are beyond the control of the Portfolio Manager. This could result in loss to the Client.

ee. Indian stock exchanges utilize 'circuit breaker' systems under which trading in particular stocks or entire trading could potentially be suspended on account of excessive volatility in a stock or on the market. Such disruptions could significantly impact the ability of the Portfolio Manager/ Client to sell its investments. Factors like these could adversely affect the performance.

Management and operational risks

ff. The success of the PMS will depend to a large extent upon the ability of the Portfolio Manager to source, select, complete and realize appropriate investments and also reviewing the appropriate investment proposals. The Portfolio Manager shall have considerable latitude in its choice of portfolio entities and the structuring of investments. Furthermore, the team members of the Portfolio Manager may change from time to time.

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The Portfolio Manager relies on one or more key personnel and any change/removal of such key personnel may have material adverse effect on the returns of the Client.

gg. *Exit Load:* Client may have to pay a high Exit Load to withdraw the Portfolio (as stipulated in the Client Agreement). In addition, they may be restricted / prohibited from transferring any of the interests, rights or obligations with regard to the Portfolio except as may be provided in the Client Agreement and in the Regulations.

hh. *Ongoing risk profiling risk:* The Client would be subject to ongoing risk profiling in accordance with the Regulation. If in case during such ongoing risk profiling, it is found that the Client is not suitable for the investments in Securities or doesn't have risk appetite, the Portfolio Manager may terminate the Agreement with the Client.

ii. *Non-diversification risks:* This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.

(iii) **No Guarantee**

Investments in Securities are subject to market risks and Portfolio Manager does not in any manner whatsoever assure or guarantee that the objectives will be achieved. Further, the value of the Portfolio may increase or decrease depending upon various market forces and factors affecting the capital markets such as delisting of Securities, market closure, relatively small number of scrips accounting for large proportion of trading volume. Consequently, the Portfolio Manager provides no assurance of any guaranteed returns on the Portfolio.

(iv) Any act, omission or commission of the Portfolio Manager under the Client 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 Client has perused and understood the disclosures made by the Portfolio Manager in the Disclosure Document before entering into their respective Client Agreements.

7. Client Representation

(i) The Portfolio Manager entity was set up on 23rd November 2017 and has been granted registration by SEBI on 29th March 2019 vide registration number INP000006518 to act as a portfolio manager under the Regulations. The Portfolio Manager is also currently acting as an investment manager for Alpha Alternatives Investment Fund, a SEBI registered category III alternative investment fund having registration number IN/AIF3/18-19/0544.

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(ii) **Client representation for all the products is as follows:**

Category of Clients	No of client			Funds Managed (Rs. Cr)			Nature of Services
	As on 31/03/20	As on 31/03/19	As on 31/03/18	As on 31/03/20	As on 31/03/19	As on 31/03/18	
Associates / group companies (Last 3 years)	-	-	-	-	-	-	
Others (last 3 years)	6	-	-	11.21	-	-	Discretionary and Advisory
Total	**6**	**-**	**-**	**11.21**	**-**	**-**	

(iii) **Complete disclosure in respect of transactions with related parties as per the standards specified by the Institute of Chartered Accountants of India:**

Disclosure in respect of Related Party of Alpha Alternatives Fund Advisors LLP pursuant to Accounting Standard 18 in the Audited Accounts for the year ended 31st March 2020:

- Business support charges paid to Alpha Alternatives Holdings Pvt Ltd (Partner) – INR 9,00,000/-

Transactions with Enterprises controlled by Partners:

- Expenses incurred by Agri Commodity Alpha LLP – INR 2,04,936/-

8. The Financial Performance of the Portfolio Manager (based on audited financial statements)

Audited Financial Statements for FY: 2019-20	
Total Revenue	INR 1,45,73,049/-
Total Expenses	INR 1,23,05,152/-
Net Profit/(Loss) before Tax	INR 22,67,897/-
Net Profit/(Loss) after Tax	INR 20,54,897/-

9. Performance of the Portfolio Manager

Portfolio management performance of the Portfolio Manager for the last three years, and in case of discretionary portfolio manager disclosure of performance indicators calculated using 'Time Weighted Rate of Return' method in terms of Regulation 22 of the SEBI (Portfolio Managers) Regulations, 2020.

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Special Situation Strategy

Month	Return
Feb-20	0.55%
Mar-20	-9.43%

10. Audit Observations for preceding three years

Nil.

11. Nature of expenses

The following are the general heads of the costs and expenses that will be borne by the Client while availing the services of the Portfolio Manager. However, the exact quantum and the nature of expenses relating to each of the following services shall be specified in the respective Client Agreements.

(i) Portfolio management fees: Fee relates to the portfolio management services offered and provided to the Clients. The fee may be fixed or performance based or a combination of both as detailed in the Client Agreement.

(ii) Advisory fee: Fee relates to the advisory services offered and provided to the Clients and as detailed in the Client Agreement.

(iii) Exit Load: The Portfolio Manager may charge early withdrawal fee as a percentage of the value of the Portfolio /withdrawn Portfolio as per the terms and conditions of a particular product as agreed in the Client Agreement

(iv) Performance fee: Performance linked fee payable to the Portfolio Manager based on the increase in the value of the Portfolio subject to the high watermark principle as provided under the Client Agreement.

(v) Other fees and expenses: The Portfolio Manager may incur the following expenses which shall be charged/reimbursed by the Client:

- Transaction expenses including, but not limited to, statutory fees, documentation charges, statutory levies, stamp duty, registration charges, commissions, charges for transactions in Securities, custodial fees, fees for fund accounting, valuation charges, audit and verification fees, depository charges, and other similar or associated fees, charges and levies, legal fees, incidental expenses etc.;
- Legal and statutory expenses including litigation expenses, if any, in relation to the Portfolio;
- Statutory taxes and levies, if any, payable in connection with the Portfolio;
- Valuation expenses, valuer fees, audit fees, levies and charges;
- Brokerage shall be charged at actuals
- All other costs, expenses, charges, levies, duties, administrative, statutory, revenue levies and other incidental costs, fees, expenses not specifically

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covered above arising out of or in the course of managing or operating the Portfolio.

Provided the Portfolio Manager shall not charge any up-front fees to the Client whether directly or indirectly. Notwithstanding the above, the Portfolio Manager may charge up-front costs and expenses so attributable to the Client in terms of the Client Agreement.

12. Taxation

The following summary is based on the law and practice of the income tax act, 1961, the income-tax rules, 1962 and various circulars and notifications issued there under from time to time. The act is amended every year by the finance act of the relevant year and this summary reflects changes to the date of this summary. The tax rates specified below are for the financial year 2020–2021 (assessment year 2021-22). This information does not purport to be a complete analysis of all relevant tax considerations; nor does it purport to be a complete description of all potential tax implications. The information contained herein is based on an interpretation of prevailing tax legislation and could therefore change or be adversely affected if alternative interpretations are adopted.

The majority of the investments made under the Portfolio shall qualify for capital gains. A summary of applicable capital gains and applicable tax rates for various type of instruments is given below:

Type of instrument	Period of holding	Characterization
Listed Securities (other than units), units of equity oriented mutual funds and zero-coupon bonds	More than 12 months	Long term capital gains
	12 months or less	Short term capital gains
Unlisted shares	More than 24 months	Long term capital gains
	24 months or less	Short term capital gains
Other capital assets including unlisted securities (other than unlisted shares) and units of non-equity oriented mutual funds	More than 36 months	Long term capital gains
	36 months or less	Short term capital gains

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Nature of Capital Gains	**Tax rate for the Domestic investors (excluding surcharge and cess)**
Short-term capital gains on transfer of: listed equity shares on a recognized stock exchange; to be listed equity shares sold through offer for sale; or units of equity oriented mutual fund on which STT has been paid	15%
Other short-term capital gains For Companies Partnership firms For Individuals	22 % / 25% / 30% 30% At applicable slab rates
Long-term capital gains on transfer of: listed equity shares on a recognized stock exchange; units of equity oriented mutual fund on which STT has been paid	10% in case the gains are in excess of INR 1,00,000
Long-term capital gains on transfer of listed securities (other than units of mutual funds, listed bonds and listed debentures) and on which STT has not been paid	10% (without indexation) 20% (with indexation)
Long-term capital gains on transfer of listed bonds / debentures	10% (without indexation)
Long-term capital gains on transfer of unlisted bonds / debentures	20% (without indexation)
Other long-term capital gains (including units of mutual fund, listed or unlisted, other than equity oriented mutual fund and unlisted securities)	20% (with indexation – for securities other than bonds and debentures)

Disclaimer: The tax information provided above is generic in nature and the actual tax implications for each client could vary substantially from what is mentioned above, depending on residential status, the facts and circumstances of each case. The Client would therefore be best advised to consult his or her tax advisor/consultant for appropriate advice on the tax treatment of his income or loss and the expenses incurred by him as a result of his investment as offered by the Portfolio Manager.

13. Accounting policies

The Portfolio Manager shall separately maintain the books and records in the name of each Client to account for the assets and any additions, income, receipts and disbursements in connection therewith, as provided under the Regulations. The funds received from the Clients, investments or disinvestments and all the credits to the account of the Client like interest, dividend, bonus, or any other beneficial interest received on the investment and

debits, for expenses, if any, shall be properly accounted for and details thereof shall be properly reflected in the Client's account. The tax deducted at source as required under the provisions of the Income-Tax Act, 1961, (43 of 1961) shall be recorded in the Portfolio account.

The books of account will be audited yearly by qualified auditor to ensure that the Portfolio Manager has followed proper accounting methods and procedures and that the Portfolio Manager has performed its duties in accordance with the law and Regulations.

Accounting under the respective Portfolios will be done in accordance with Generally Accepted Accounting Principles (GAAP). Following Key policies shall be followed;

- All investments will be marked to market.
- Market value / fair value of portfolio investments will be determined as follows:
  (1) Investment in listed equity shares shall be valued at the last quoted closing price on the National Stock Exchange (NSE). If not traded on NSE the closing price on any other stock exchange, where such security is listed shall be used.
  (2) Futures and Options shall be valued at the settlement price provided by the respective stock exchanges.
  (3) Securities awaiting listing as a result of IPO shall be valued at allotment price as available in public domain.
  (4) Investment in units of a mutual fund shall be valued at Net Asset Value of the relevant scheme.
  (5) If listed securities are suspended for a certain period, then upto 30 days of suspension the last transaction price shall be used for valuation and after 30 days of suspension the valuation methodology shall be decided on a case to case basis as determined by the Portfolio Manager.
- Dividend income shall be recognized on the ex-dividend date. Interest income on bank balances held with the bank is recognize on cash basis. Interest income on fixed income securities is recognized on accrual basis. Profit or loss on sale of investments shall be recognized on the trade dates on first- in –first – out basis.
- In determining the holding cost of investments and the gains or loss on sale of investments, the 'first in first out' method shall be followed.
- Exchange traded equity/currency derivative transactions are marked to market on daily basis. As on the balance sheet date, the unrealized profit/loss on open position on the same are ignored and no debit/ credit is taken in the profit and loss account
- Transactions for purchase or sale of investments would be recognized as of the trade date and not as of the settlement date, so that the effect of all investments traded during a financial year are recorded and reflected in the individual client account for that year.
- The cost of investments acquired or purchased would include brokerage, stamp charges and any charge customarily included in the broker's contract note.
- For equity shares, corporate actions are accounted on respective Ex dates. For debt securities interest is accrued on daily basis.

14. Custody of Securities

i) Custody of all Securities of the Client (save and except for Clients availing advisory services) shall be with the Custodian who shall be appointed, from time to time, at the discretion of the Portfolio Manager.
ii) The Custodian shall act on instructions of the Portfolio Manager.
iii) All such custodian fees, charged by the Custodian shall be payable by the Client.
iv) The Portfolio Manager shall not be liable for any act of the Custodian, done with or without the instruction of the Portfolio Manager, which may cause or is likely to cause any loss or damage to the Client.

15. Investors services

(i) Name, address and telephone number of the investor relation officer who shall attend to the investor queries and complaints.

Name	Mayank Varshney
Designation	Compliance Officer
Address	34th Floor, Sunshine Towers, Dadar West, Mumbai – 400013
Telephone No.	022 6145 8900
Email id	compliance@alt-alpha.com

(ii) Grievance redressal and dispute settlement mechanism.

Any disputes, service requests and grievances, if any, that may arise in relation to the portfolio management services of the Portfolio Manager shall be redressed through the administrative mechanism by the designated Compliance Officer, namely Mr. Mayank Varshney and subject to the Regulations. The Compliance Officer will endeavor to address such grievance in within the time period as prescribed under the Regulations. The co-ordinates of the Compliance Officer are provided as under:

Name	Mayank Varshney
Designation	Compliance Officer
Address	34th Floor, Sunshine Towers, Dadar West, Mumbai – 400013
Telephone No.	022 6145 8900
Email id	compliance@alt-alpha.com

If the Client still remains dissatisfied with the remedies offered or the stand taken by the Compliance Officer, the Client and the Portfolio Manager shall abide by the following mechanisms:

(a) Any dispute that remains unresolved by above internal grievance redressal mechanism of the Portfolio Manager shall be submitted to arbitration in accordance with the Arbitration and Conciliation Act, 1996 ('**Arbitration Act**') wherein the Client and the Portfolio Manager shall mutually appoint a sole arbitrator. If the parties to the Dispute fail to appoint the sole arbitrator, then the arbitrator shall be appointed in accordance with the Arbitration Act. The seat, venue and legal

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place of arbitration shall be Mumbai, India and any award shall be treated as an award made at the seat of the arbitration. The language to be used in the arbitral proceedings shall be English. All legal disputes shall be subject to the exclusive jurisdiction of the courts in Mumbai and shall be governed by the laws of India.

(b) Without prejudice to anything stated above, the Client can also register its grievance/complaint through SCORES (SEBI Complaints Redress System), post which SEBI may forward the complaint to the Portfolio Manager and the Portfolio Manager will suitably address the same. SCORES is available at http://scores.gov.in.

For and on behalf of **Alpha Alternatives Fund Advisors LLP**

Designated Partner
Name: Naresh Kothari

Designated Partner
Name: Ashim Sahni

Place: Mumbai
Date: February 25, 2021

Annexure A

Investment Approach

1. **Value Compounder Strategy**

Investment Objective

This strategy focuses on generating capital appreciation through core investment strategy of investing in stocks with a significant margin of safety i.e. stocks with trading values materially lower than their intrinsic values. The strategy aims to achieve high rates of return over a medium-long term horizon.

Description of types of securities e.g. e.g. equity or debt, listed or unlisted, convertible instruments, etc.

Listed equity shares or convertible instruments. Idle funds may be invested in liquid funds.

Basis of selection of such types of securities as part of the investment approach

Under this scheme, the Portfolio Manager will select stocks with high margin of safety based on rigorous and in-depth proprietary analysis.

Allocation of portfolio across types of securities

Under this scheme, the Portfolio Manager will largely invest in equity shares of listed companies. The idle funds may be invested in liquid funds.

Appropriate benchmark to compare performance and basis for choice of benchmark

a. **Benchmark:** NIFTY 500 Total Returns Index

b. **Basis for choice of Benchmark:** The NIFTY 500 TRI represents the opportunity set of investible companies available to the equity investor, and as such is the relevant benchmark to measure the equity risk premium.

Indicative tenure or investment horizon

Typically, 2-3 years.

Risks associated with the investment approach

Kindly refer **"Annexure C"** of the Client Agreement. The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

Other salient features, if any.

None.

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2. Special Situations Strategy

Investment Objective

This strategy focuses on special situations. Special situation trades are based on corporate events including open offers, buybacks, mergers, IPOs, delisting, etc. These opportunities are typically very attractive from a risk-reward perspective but are sporadic and not evenly distributed through the year. Any uninvested capital would be parked in Securities including liquid funds or other risk-free debt investments.

Description of types of securities e.g. e.g. equity or debt, listed or unlisted, convertible instruments, etc.

This strategy focuses on investing in listed Securities on NSE and BSE typically greater than 100 Cr market capitalization. Idle funds are invested in liquid funds.

Basis of selection of such types of securities as part of the investment approach

Under this strategy investments are picked only basis announced corporate events and not based on speculation. The Securities are selected after a rigorous selection process from the perspective of corporate governance, liquidity, timelines etc.

Allocation of portfolio across types of securities

The strategy intends on investing 100% of the portfolio across equity and liquid funds. There is no set allocation across these types. The idle funds are invested in liquid funds.

Appropriate benchmark to compare performance and basis for choice of benchmark

a. **Benchmark:** Nifty Arbitrage Index.

b. **Basis for choice of Benchmark:** Most of the opportunities that we intend to participate in, such as open offers, have a spread which would converge to zero at the close of the transaction, similar to arbitrage strategies.

Indicative tenure or investment horizon

Typically, investments last 3-6 months.

Risks associated with the investment approach

Kindly refer **"Annexure C"** of the Client Agreement. The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

Other salient features, if any.

None.

3. Systematic Equity Strategy

Investment objective

The strategy will primarily and at the core, be a listed market focused strategy and will aim to generate long-term capital growth from a portfolio of equities through a quantitatively defined process of systematic security selection and weighting, as may be permitted under the Applicable Laws. The strategy seeks to capitalize on growth by predicating on strong macro-economic factors and focusing on a large number of fast growing, high-quality, well-managed, stable returns-focused companies that are available at relatively cheap valuations across a wide variety of sectors, giving Investors an opportunity to generate superior returns.

Description of types of securities e.g. e.g. equity or debt, listed or unlisted, convertible instruments, etc.

This strategy only focuses on investments in listed securities on NSE and BSE typically greater than 500 Cr. Idle funds are invested in liquid funds.

Basis of selection of such types of securities as part of the investment approach

The strategy follows a quantitative, rules-driven approach to portfolio construction by considering financial and corporate metrics that reflect the companies' operating health, profitability, and relative valuation. Security selection is devoid of any discretionary and speculative calls.

Allocation of portfolio across types of securities

The strategy intends on investing 100% of the portfolio across equity and liquid funds. There is no set allocation across these types. The idle funds are invested in liquid funds. Within the equity component, the fund will target to allocate less than 10% of the investable corpus to a single company.

Appropriate benchmark to compare performance and basis for choice of benchmark

a. Benchmark: NIFTY 500 Total Returns Index.

b. Basis for choice of Benchmark: The NIFTY 500 TRI represents the opportunity set of investible companies available to the equity investor, and as such is the relevant benchmark to measure the equity risk premium.

Indicative tenure or investment horizon

The typical investment cycle for an investor under this strategy should be ~3 years. Companies within the equity portfolio may be churned in and out of the portfolio on a quarterly basis, as a part of our systematic approach to portfolio rebalancing.

Risks associated with investment approach

Kindly refer "**Annexure C**" of the Client Agreement. The risks may affect portfolio performance even though the Portfolio Manager may take measures to mitigate the same.

Other salient features

None.

Alpha Alternatives Fund Advisors LLP

Ambavat Jain & Associates LLP

Chartered Accountants

TO WHOMSOEVER IT MAY CONCERN

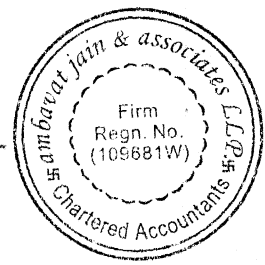
We have verified the books of account and records maintained by Alpha Alternatives Fund Advisors LLP ("the LLP") and also disclosures made by the LLP in its Disclosure Document of even date (the document) for Portfolio Management Services. For the purpose of identification, we have initiated the said document and the same is attached with the certificate.

On the basis of our verification and information provided to us, we certify that disclosures made in the document are true to the best of our knowledge. Further, the disclosures made, in our opinion, are fair and adequate for the investors to take informed decision.

This certificate has been prepared solely for the use of the LLP for submitting to SEBI for the purpose of registration as a Portfolio Manager and it shall not be used, referred to or distributed for any other purpose.

This certificate is issued at the request of the LLP solely for the purpose of submitting to SEBI without any risk or liability attached to us.

For Ambavat Jain & Associates LLP
Chartered Accountants
Firm Registration No. 109681W



Vinod Ambavat
Partner
Membership No: 37738
Mumbai
February 25, 2021

UDIN: 21037738AAAAAJ5917