

PORTFOLIO MANAGEMENT SERVICES FAQ'S

What is the minimum and maximum limit for investing in Portfolio Management Services?

The minimum ticket size of the portfolio we offer for resident Indians is INR 10 lacs and INR 25 lacs for Non Resident Indians. There is no upper limit on the amount you can invest.

How can I introduce my initial corpus?

Initial corpus can be brought in by way of either Cash and/ or securities/ shares. The initial portfolio of securities/ shares will be re-aligned as per the model portfolio by selling those shares.

Why should I pay performance fees?

The base management fee being charged is much lower than that charged by others. We have consciously kept our fee more performance linked, as we strongly believe that it will align the interests of the firm and the client. It also incentivises the Portfolio Manager since they have a stake in the profitability of the portfolio.

Will JHP Securities share the losses?

Portfolio Manager is any person 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 the funds of the client, as the case may be. It is only the service, which he gives to the client, for which he charges a fee, and it is not any partnership that he gets into with the client. As per SEBI regulations, no portfolio manager can legally share losses.

Do you invest in IPOs?

If the Portfolio Manager finds any IPO, which presents a good investment opportunity then the Portfolio Manager will invest in the relevant IPOs.

Do you invest in Derivatives (Futures/Options)?

Under SEBI guidelines, a Portfolio Manager is allowed to invest in the Derivatives Segment only to the extent of the value of the portfolio. This has also been mentioned in the Disclosure Document and clients are advised to read it carefully before investing. However, our policy will be to use Derivatives only as a hedging strategy and will be restricted only to those portfolios, which have a short-term outlook on the investment strategy.

Do you indulge in day trading under the Portfolio Management Service?

Our Portfolio Management Schemes are designed from a long-term perspective and we will invest in accordance with the objectives of each Scheme. It is advisable to keep any equity portfolio invested over a longer term because in the long run, equities outperform most other asset classes. Therefore, we will not indulge in any day trading activities under the Portfolio Management Service. Moreover, SEBI guidelines forbid any day trading activity by Portfolio Managers.

How and when can I see my Portfolio Value, Transactions and Reports?

All clients can access entire information related to their portfolios through: -

Log on to the web and then view and/or download the reports in excel. These reports and transaction information is updated on the website every week. The reports include Performance Summary of Portfolios, Transaction Statement, Holdings statement, and Realized gain/ loss statement.

There is an e-mail sent to the client regarding the same every month.

The client also gets the hard copy of all the reports and statements every quarter.

Can I partly withdraw my money from PMS account?

Yes, you can withdraw. You just have to give a request for the same in writing. However, charges as agreed will be applicable.

Do I need to have Permanent Account Number?

A Permanent Account Number (PAN) has to be provided for investment in the PMS scheme.

Can an NRI avail of the Portfolio Management Service?

The Portfolio Management Scheme is open for all Indian nationals, resident or otherwise. NRIs will have to open a PIS Account as required under RBI guidelines in order to invest in the PMS scheme, which facility we will provide to all NRIs.

How safe are my securities under the Portfolio Management Service?

JHP Securities is a depository participant with Central Depository Services Limited (CDSL). This ensures complete safety in operations. Stock ownership always rests with the client.

We are a registered participant with Security Exchange Board of India (SEBI). Certificate of Registration as Portfolio Manager INP 000002619

How will I know my tax status?

We expect all clients to consult their tax consultant before investing into any form of securities. At JHP Securities, we give each client an audited tax statement of his portfolio annually. The same can be used when you file your returns

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

As per SEBI regulations governing Portfolio Management Services in India, neither capital nor returns can be guaranteed. We shall endeavor to outperform the benchmark indices like Nifty but there can be no guarantee or certainty of the same. We believe, over long term, equities' performance will track corporate performance. We expect India's GDP to grow at 7-9% p.a. in real terms or 13-14% p.a. in nominal terms. The industrial and services sector should grow at a faster pace. Therefore historical trends indicate that well managed portfolios in Indian equities can yield upto 20-25% p.a. Returns.