

## INVESTOR CHARTER

### EMKAY EMERGING STARS TRUST

Emkay Emerging Stars Trust under the SEBI Registration No. IN/AIF3/17-18/0375 is Alternate Investment Fund – Category – III. This Investor Charter is prepared with due reference and in compliance to SEBI Circular SEBI/HO/IMD/IMD-I/DOF9/P/CIR/2021/682 dated December 10, 2021 and shall be effective from January 1, 2022. The vision and the mission statement being as follows:

#### **A. VISION AND MISSION STATEMENTS FOR INVESTORS**

##### **i. VISION STATEMENT**

To develop the Alternative Investment Fund (“AIF”) industry on professional and ethical lines and maintain high standards of governance and transparency.

##### **ii. MISSION STATEMENT**

- Maintain high professional and ethical standards within the AIF industry.
- Comply with all applicable regulations and co-operate with the regulators in all aspects of the AIF activity.
- Act in a fiduciary capacity towards the investors.

#### **B. DETAILS OF BUSINESS TRANACTED BY THE RESEARCH ANALYST WITH RESPECT TO THE INVESTORS**

- To raise capital from domestic and global investors.
- To invest in portfolio companies in accordance with investment strategy stated in Fund documents, with an objective to generate positive returns for the stakeholders including investors.
- To distribute returns to the investors as per the fund documents.

#### **C. DETAILS OF SERVICES PROVIDED TO INVESTORS**

##### **1. On-boarding of investors.**

- 1.1. Sharing of Private Placement Memorandum (PPM).
- 1.2. Account opening with the AIF:
  - Completing KYC of investors and registration of KYC with KRAs.
  - Sharing of copies of fund documents with investors.
  - Entering into contribution agreement with investor.

##### **2. Obtaining investor consent for material changes to fund structure.**

- 2.1. Change in the sponsor or the manager of the AIF.
  - 2.2. Change in control of the sponsor or the manager of the AIF.
  - 2.3. Material changes to terms of PPM
    - Term of Fund.
    - Investment Strategy.
    - Increase in fees and charges.
  - 2.4. Winding up of Fund/ Scheme prior to expiry of tenure.
- 3. Dissemination of financial information of Fund.**
- 3.1. Net Asset Value of Fund/ Scheme.
  - 3.2. Financial information of investee companies.
  - 3.3. Information on performance of scheme/fund.
- 4. Disclosures with respect to material risks associated with the fund and its portfolio investments.**
- 4.1. Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction.
  - 4.2. Any material liability arising during the tenure of the fund.
  - 4.3. Any breach of a provision of the PPM or any other agreement made with the investor or any other fund documents.
  - 4.4. Intimation regarding any conflict of interest.
  - 4.5. Risks associated with the portfolio, such as concentration risk, foreign exchange risk, leverage risk, realization risk, strategy risk, reputation risk, extra-financial risks such as social and corporate governance risks etc. at fund and investee company level.
- 5. Intimation of any non-material changes in the operations of the fund.**
- 5.1. Non-material changes such as
    - Bank account details
    - Address of AIF or its Manager or Sponsor
    - Contact details such as email-id, contact number, etc. of AIF or its Manager or Sponsor
- 6. Grievance Redressal**
- 6.1. Redressal of investor complaints received directly from investors and/ or from SEBI / SCORES.

**D. TIMELINES OF THE ACTIVITY/SERVICES PROVIDED TO INVESTORS:**

Sr No.	Service / Activity	Timeline
1	Valuation related disclosures:	

Sr No.	Service / Activity	Timeline
a.	Valuation of investment by Category I and II Alternative Investment Fund	At least once every six months. Can be extended to once a year with approval of 75% of its investors by value of investment.
b.	At least once every six months. Can be extended to once a year with approval of 75% of its investors by value of investment.	Close ended fund - quarterly basis Open ended fund - monthly basis
2	<b>Transparency related disclosures:</b>	
a.	Disclosure of financial information of investee companies	<ul style="list-style-type: none"> <li>• Category I and II - within 180 days from the year end or earlier as per the fund documents.</li> <li>• Category III - within 60 days from the end of the quarter end or earlier as per the fund documents.</li> </ul>
b.	Disclosure of Material risks:  concentration risk, foreign exchange risk at fund level and leverage risk, realization risk, strategy risk, reputation risk at investee company level, extra-financial risks such as social and corporate governance risks etc. at fund and investee company level	
c.	Financial, risk management, operational, portfolio, and transactional information regarding fund investments	To be disclosed periodically to the investors
d.	Any fees ascribed to the Manager or Sponsor; and any fees charged to the Alternative Investment Fund or any investee company	
e.	Any inquiries/ legal actions by legal or regulatory bodies in any jurisdiction	As and when occurred
f.	Any material liability arising during the Alternative Investment Fund's tenure	
g.	Any breach of a provision of the placement memorandum or agreement made with the investor or any other fund documents	
h.	Intimation regarding conflict of interest in any transaction	

Sr No.	Service / Activity	Timeline
i.	Any change in terms of Private Placement Memorandum /fund documents	On consolidated basis within one month of end of each financial year
3	<b>Complaint handling related services:</b>	
a.	Response to complaint received from investors	Within 30 days from the date of receipt of complaint
b.	Redressal of investor complaint received from SEBI/ SCORES	Within 30 days from the date of receipt of complaint

## E. DETAILS OF GRIEVANCE REDRESSAL MECHANISM AND HOW TO ACCESS IT

- i. Alternative Investment Funds shall redress all investor complaints in timely manner.
- ii. An Alternative Investment Fund, by itself or through the Manager or Sponsor, are required to lay down procedure for resolution of disputes between the investors and AIF or Manager or Sponsor through arbitration or any such mechanism as mutually decided between the investors and the Alternative Investment Fund.
- iii. Investors can also approach SEBI for redressal of their complaints through SEBI SCORES platform. On receipt of complaints, SEBI takes up the matter with the concerned AIF.

### **Filing of Complaints on SCORES**

<https://scores.gov.in/scores/Welcome.html>

- iv. Investors may send their complaints to: Office of Investor Assistance and Education, Securities and Exchange Board of India, SEBI Bhavan. Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

## F. RESPONSIBILITIES OF INVESTORS

### **1. Responsibility to inform and educate yourself**

- 1.1. Read thoroughly all fund documents including Private Placement Memorandum, Contribution Agreement, sales literature, newsletters and understand the product.
- 1.2. Carefully consider all investment risks, fees, and/or other factors detailed in these documents.
- 1.3. Ensure and make certain that the proposed investment in the Fund meets your investment objective and is in alignment with your risk appetite.
- 1.4. Review your portfolio holdings, account statements and transaction confirmation on regular basis to ensure that you aware of all transactions and securities where you are invested.

### **2. Responsibility to timely update your KYC and information with the Intermediary**

- 2.1. Provide complete and accurate information in your KYC documents, including financial/ income status.

- 2.2. Timely updation of KYC information.
- 3. Responsibility to abide by the contribution agreement.**
  - 3.1. The investor needs to read carefully and understand the agreement that he/she is entering into with the Alternative Investment Fund and abide by the terms thereof.
  - 3.2. The investor should be aware that investment terms are not guarantee of future performance or returns of the Fund/ Scheme.
- 4. Responsibility to use right financial intermediaries, consultants and advisors.**
  - 4.1. Carefully consider validity and reliability of investment information obtained from all sources, especially unsolicited information obtained over the Internet.
- 5. Responsibility to maintain confidentiality of information.**
  - 5.1. Investors shall not disclose any material non-public information that is received by virtue of being investors of the fund, except as may be guided by the terms of the fund documents.