Disclosure Document

Cervin Family Office & Advisors Pvt. Ltd.

DISCLOSURE DOCUMENT

Cervin Family Office & Advisors Private Limited

(further called CERVIN)

SEBI Registered Investment Adviser INA000015385

The particulars given in this Disclosure Document have been prepared in accordance with SEBI's (Investment Advisers) Regulations, 2013.

The purpose of the Document is to provide essential information about the Investment Advisory Services in a manner to assist and enable the prospective client in making an informed decision for engaging with CERVIN to seek advice for their portfolio.

1. Descriptions of Cervin Family Office & Advisors Private Limited (CERVIN)

History, present business and background

CERVIN was incorporated on April 23, 2019, and is registered with SEBI as an Investment Advisor with Registration No. INA000015385

CERVIN provides investment advice to family offices, UHNWIs & corporate treasuries.

In the capacity of Investment adviser, CERVIN aligns its interests with those of the client and seeks to provide the best-suited advice based on a detailed client risk profile & risk pooling process. CERVIN attempts to understand the client's return expectations, risk-taking ability & goals, and uses that input to arrive at a risk/asset allocation suitable for the client. CERVIN conducts frequent portfolio reviews and suggests any corrective action/s if required.

CERVIN has no subsidiaries, or sister companies and is not owned by any financial services group.

2. Terms & conditions for advisory services

CERVIN shall provide non-binding investment advisory services to the Client, including but not limited to advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client.

The advisory services offered would include:

- Creating risk pools and asset allocation pools
- Advising on investment opportunities across the risk pools & asset classes
- Structure standardized or customized model portfolios
- Advice on various investment products and securities (public and private market) and structuring of financial instruments

- Advice on corporate treasury management & cash flow planning
- Detailed financial planning involving analysis of clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realize such goals
- Any other services incidental to the help reach the client's goals

CERVIN looks at the following parameters:

- Client's investment objectives including the time for which he / she wishes to stay invested.
- Circumstances that may lead to a change in the Client's risk appetite or risk tolerance
- The expectations from the portfolio
- Any restrictions or preferences that the Client may wish to specify in respect of the nature or manner of Investments or on any particular security/sector
- Client's cash flows over the next few years
- Client's liabilities details, as an individual or as a family unit
- Client's existing overall Investments and assets

Since CERVIN does not have any distribution business it will never charge anything for the execution of the advised portfolio transactions.

3. Disciplinary history

No action has been taken against the Company as an Investment Adviser by any regulator.

4. Affiliations with other intermediaries & receival of any income beyond the advisory fee

CERVIN is privately owned and does not have any linked concerns whatsoever. Also, CERVIN does not have a commercial relationship with any product, service provider or an intermediary.

We further state that neither CERVIN nor any of its directors or employees have any commercial or legal interests in any distribution intermediary.

CERVIN does not earn any income in any form whatsoever in the nature of commissions, brokerage, placement fees, referral fees etc. The only fee that it charges is the Advisory fee directly from the client.

5. Disclosures with respect to CERVIN's own holding position in financial products / securities

CERVIN is providing only investment advisory services to its clients and is not actively engaged into any proprietary trading in any way. However, CERVIN may have positions in various mutual funds/cash management products for its own cash management requirements.

6. **Actual or potential conflicts of interest arising from any connection to or association with any issuer of products/ securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of investment advisory services**

   CERVIN is only involved in providing Investment Advisory services as allowed by SEBI. Since CERVIN does not have any linked/sister companies it does not have a conflict of interest while advising its clients.

   We further confirm that no directors & employees of CERVIN have any commercial or legal interests in any products that are suggested under the investment plan.

7. **Disclosure of all material facts relating to the key features of the products or securities, particularly, performance track record, warnings, disclaimers etc.**

   Clients are requested to go through the detailed key features, and performance track record of the product, or security including warnings, disclaimers etc. before investing as and when provided by the Investment Adviser. Such product materials may also be available on www.sebi.gov.in, www.nseindia.com, www.bseindia.com, www.amfiindia.com or mutual fund and product manufacturer's websites.

8. **Drawing client's attention to warnings, disclaimers in documents, and advertising materials relating to investment products**

   CERVIN while providing investment advice to the clients, shall draw the client's attention to the warnings, disclaimers in documents, and advertising materials relating to an investment product/s which he/she/they is/are recommending to the client/s.

9. **Standard Risk Factors as perceived by Investment Adviser**

   The risks described herein is not an exhaustive list and the Potential clients should read and understand them before investing in any securities and other financial products (hereinafter referred to as "Portfolio") based on the advice given by CERVIN. Potential Investors should be aware that an investment in a Portfolio may be exposed to other risks of an exceptional nature from time to time. In addition, different risks may apply differently to different Portfolios. Prospective Investors should review the below risk factors in its entirety and take an informed decision before making an investment.

   Types of Risks:

   Investment risks

   The Portfolio may be risky and the investors could lose all or part of their investment. Prices of a Portfolio could be volatile and a variety of other factors, that are inherently difficult to predict, such as domestic or international economic and political developments, global pandemics etc. may significantly affect the value of a Portfolio's investments. A Portfolio's performance over a period may not necessarily be indicative of the results that may be expected in future. Similarly, the past performance of the portfolio may not necessarily be indicative of the future results.

Risks associated with investment in Derivatives

Derivative products require the maintenance of adequate controls to monitor the transactions as well as the embedded market risks that a derivative adds to the Portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor.

Identification and execution of such strategies by the Investment Adviser involves uncertainty and the recommendations of the Investment Adviser may not always be profitable.

The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing in other traditional instruments.

Derivative products are specialized instruments that require investment techniques and risk analysis which are different from those associated with stocks and bonds. Dealing in derivatives requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Portfolio and the ability to forecast price or interest rate movements. There is a possibility that losses may be incurred by the Strategy as a result of the failure of another party (usually referred to as the “counter party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with the underlying assets, rates and indices. Derivatives are highly leveraged instruments and even a small price movement in the underlying security could have a large impact on their value. Derivative trades involve execution risks whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.

The options buyer’s risk is limited to the premium paid, while the risk of an options writer is unlimited. However, the gains of an options writer are limited to the premiums earned.

The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price. The writer of a call option bears the risk of a loss if the value of the underlying asset increases above the exercise price.

Investments in index futures face the same risk as investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

Risk of loss in trading futures contracts can be substantial, because of the low-margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

Market risks

The investments in the securities market are subject to normal market fluctuations and other risks inherent to investing in such investments and there can be no assurance that any appreciation in value will occur. Prospective investors are advised that the value of the investment and their income from it may go down as well as up and accordingly an investor may not be able to get back the full amount invested. An investment should only be made by persons who have the ability to sustain a loss. The financial markets may be adversely affected as a result of geopolitical situations, or historically unprecedented events, which could diminish the value of investments.

Liquidity risk

The liquidity of the Portfolio may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays and/or other problems in the settlement of transactions could result in temporary periods when the investments comprising the Portfolio are un-invested and no return is earned thereon.

Counterparty risk

The portfolio will also be exposed to counterparty risk in relation to the exchanges, brokers, vendors, and/ or any other parties who are a party to the transaction.

Pricing and valuation Risk

For quoted investments, a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid instruments will increase the risk of mispricing.

Risks associated with investments in Small to Medium capitalization companies

Investment Adviser may recommend investment in the securities of companies with small-to medium-sized market capitalizations. While the Investment Adviser believes these investments often provide significant potential for appreciation, these securities, particularly smaller-capitalization securities, involve higher risks in some respects as compared to investments in securities of larger companies. For example, the prices of such securities are often more volatile than the prices of large-capitalization securities. In addition, due to such securities being thinly traded, an investment in these securities may be more illiquid than that of larger capitalization securities.

Undervalued assets

Investments in undervalued assets offer the opportunity for above-average capital appreciation, however, these investments involve a high degree of financial risk and can result in substantial losses.

Credit risk

This refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. There can be no assurance that issuers of instruments will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, the lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument, and debt obligations that are rated by rating agencies are often reviewed by such agencies and may be subject to downgrade.

Interest rate risk

This refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). General interest rate fluctuations may have a substantial negative impact on investments.

Market disruption and geopolitical Risk

Various social and political tensions in India and around the world may contribute to increased market volatility, may have long-term effects on financial markets and may cause further economic uncertainties in India and worldwide.

Political and economic risks

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. There can be no assurance that existing government policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operation. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of Indian securities.

Regulatory risk

The value and marketability of the investments may be affected by changes or developments in the legal and regulatory environment in India. The SEBI regulates the securities market in India and legislates from time to time on matters affecting the stock market. In the past SEBI has issued regulations that affect investment in India, including regulations on takeovers, raising portfolios and insider trading. SEBI and/or the Government of India may make changes to regulations that may affect the ability to make or exit investments without much of a heads-up.

Foreign exchange risk

Foreign exchange risk, also known as exchange rate risk, is the risk of financial impact due to exchange rate fluctuations

Commodity risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities.

The bankruptcy of investee companies

Bankruptcy risk, or insolvency risk, is the likelihood that a company will be unable to meet its debt obligations. It's the probability of a firm becoming insolvent due to its inability to service its debt. Consequently, your investments in such companies may be substantially impacted.

Litigation risk

Some investments may be governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over the interpretation or enforceability of the documentation and consequent costs and delays may be higher than for other types of investments. The Investee companies may be subject to material or protracted litigation, litigation expenses and the liability threatened or imposed could have a material adverse effect on your investments in such companies.

No guarantee on Investment philosophy and potential to lose all the sum invested

Prospective investors should ensure that they understand the nature of such investment and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting, regulatory and financial evaluation of the merits and risks of an investment in such Portfolios and that they consider the suitability of such an investment in the light of their own circumstances and financial condition. An investment in a Portfolio should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. The Portfolio Manager makes discretionary investment decisions. Investment decisions will be reflective of the judgment, experience, and expertise of personnel of the Portfolio Manager. Investment decisions are arrived at after using statistical methods, trading models, and quantitative research tools depending upon the accurate forecasting of major price moves or trends. No assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

Cyber security risk

The intermediaries involved in the securities market and its service providers are susceptible to operational, information security and related risks of cyber security incidents. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for the purpose of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting various intermediaries or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with reference to the calculation of Net Asset Value; impediments to trading; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities, counterparties in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties.

Prospective clients should review/study the above Risk factors carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters.

Clients are advised to consult their own professional advisor(s) as to the legal, tax, financial or any other requirements or restrictions within their jurisdiction of nationality, residence, incorporation, domicile etc. relating to the subscription, gifting, acquisition, holding, disposal (sale or conversion into money) of Portfolio and to the treatment of income (if any), capitalization, capital gains, any distribution and other tax consequences.

10. General Risks

We trust that before executing on our advice CERVIN has provided you with all the information about the products, risk factors etc. and you have gone through all the relevant information about the product being advised and have sought requisite clarification about the same.

11. Confidentiality

CERVIN shall maintain complete confidentiality of all information provided by the client/s and shall not disclose any such information, without the client/s prior consent, except if such disclosure is required to be made in compliance with any applicable law or regulatory direction.

CERVIN will obtain information pertaining to client/s orders/ transactions/ portfolio/ funds availability/ securities availability etc. to enable us to provide you with informed and appropriate advice.

Investor Services

The detail of the Compliance Officer who shall attend to the client queries and complaints is mentioned below:

- Name of the person: Mr. Harminder Dhillon
- Designation: Compliance Officer
- Mailing Address: WeWork, Oberoi Commerz II, Mohan Gokhale Road, Goregaon- East, Mumbai 400063
- Email: compliance@cervinfamilyoffice.com

In case of any grievances, investors may email to compliance@cervinfamilyoffice.com

Cervin Family Office & Advisors Pvt. Ltd.
Mumbai

Cervin Family Office & Advisors Private Limited

SEBI Investment Advisor Registration: INA000015385
Type of Registration: Non-Individual
Validity of Registration: Active (Perpetual)

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