Advisory Note for Clients

1. General Disclaimer

- InCred Capital Wealth Portfolio Managers Private Limited (“InCred”) as a Stock Broker does not guarantee or assure fixed returns on any transaction carried out through us including Futures & Options (F&O) trading.
- Investments in the securities market are subject to market risks. Clients are advised to read all investment-related documents carefully before investing.
- Investors should conduct their own due diligence and consult independent financial, legal, and tax advisors before making investment decisions.
- InCred and its affiliates shall not be liable for any loss or damage arising from actions / instructions provided by client for trades.
- Past performance is not necessarily guide or indicative of future returns.

2. Suitability & Investor Responsibility

- Clients should ensure that any investment or trading activities aligns with their financial goals, investment horizon, and risk tolerance.
- Not all products or strategies are suitable for all investors.
- Any communication should not be construed as personalized investment advice unless explicitly agreed under a formal advisory mandate.
- Clients are responsible for independently evaluating the merits and risks of any investment.
- Clients should regularly monitor their portfolios and positions and not rely solely on periodic updates.

3. Trading in Derivatives (F&O)

- Trading in derivatives, including F&O, involves significant market risks and volatility.
- No assurance or guarantee of fixed or minimum returns is provided or implied.
- Use of leverage can amplify both gains and losses and must be used cautiously.
- it will not be open for you to take a plea that no adequate disclosure regarding the risks involved was made or that you were not explained the full risk involved by InCred.

- Derivatives trading may not be suitable for individuals with limited resources, limited experience, or low risk tolerance.
- Clients should undertake transactions only if they fully understand the nature of the relationship and the extent of their risk exposure.

4. SEBI Risk Disclosures on Derivatives[1].

- 9 out of 10 individual traders in the equity F&O segment incur net losses.
- In addition to trading losses, loss-makers spend around 28% of their losses on transaction costs.
- Profitable traders incur transaction costs ranging from 15% to 50% of their profits.

Source:

1. *SEBI study dated January 25, 2023 on "Analysis of Profit and Loss of Individual Traders dealing in equity Futures and Options (F&O) Segment", wherein Aggregate Level findings are based on annual Profit/Loss incurred by individual traders in equity F&O during FY 2021-22.*

5. Market & Investment Risks

- Market conditions can change rapidly due to economic, political, or global events, leading to unexpected price movements.
- Systematic risks such as interest rate changes, inflation, geopolitical developments, or regulatory changes may impact market performance.
- Certain securities or contracts may have low liquidity, affecting trade execution at desired prices.
- Strategies (including algorithmic or model-based strategies) may not perform as expected under all market conditions.

6. Operational & External Risks

- Trading platforms, system outages, or connectivity issues may result in delays or inability to execute trades.
- InCred may rely on third-party data sources; while considered reliable, accuracy and completeness cannot be guaranteed.

7. Costs, Charges & Margins

- Clients should be aware of all applicable charges including brokerage, taxes, exchange fees, and statutory levies.

- In case of insufficient margins, positions may be squared off without prior notice as per risk management policies.
- Transaction costs may significantly impact net returns.

8. Regulatory & Compliance

- Changes in regulations by SEBI or exchanges may impact trading strategies, costs, and returns.
- Clients must ensure compliance with all Know Your Customer (KYC) requirements and keep documentation updated.
- Clients should maintain proper records of all transactions, contract notes, and communications.

9. Taxation & Legal Considerations

- Investments and trading activities may have tax implications. Clients are advised to consult their tax advisors for applicable laws and liabilities.
- Clients will be solely responsible for any losses incurred from trading or investment decisions.
- It shall not be open to claim inadequate disclosure or lack of understanding of risks once transactions are undertaken.

10. Conflict of Interest

- InCred and its affiliates may have positions in the securities discussed or may provide services to related entities, which could give rise to potential conflicts of interest.