

## Quantum Advisors Private Limited

### FORM CRS (Client Relationship Summary)

June 28, 2020

Quantum Advisors Private Limited is registered with the Securities and Exchange Commission (SEC) as an investment adviser and, as such we provide investment advisory services and not brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, as our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This Client Relationship Summary describes the services we offer and we fees charge to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes. Please ask us for more information. There are some suggested questions and conversation starters within this document.

#### **What investment services and advice can you provide me?**

We offer discretionary India focused equity and fixed income investment advisory services to retail clients for an ongoing asset-based fee calculated on the aggregate market value of all assets under management, including allocations to cash. If you open an account with us, we will meet with you to understand your current financial situation, goals, and risk tolerance. Based on what we learn, we will build for you a portfolio of investments. For a description of the service listed above, please refer to our Form ADV Part 2A (Items 4, 5, 7, 13 & 16, among others) by clicking the following link: [ADV Part 2A](#) (the full URL for the aforementioned hyperlink is: <https://adviserinfo.sec.gov/firm/brochure/141476>).

**Account Monitoring:** If you open an investment account with our firm, as part of our standard service we will monitor your investments on an ongoing basis and will review your account at least monthly and, if necessary, rebalance the portfolio.

**Investment Authority:** We manage investment accounts on a discretionary basis which means we don't need to call you when buying or selling in your account. You may limit our discretionary authority (for example, limiting the types of securities or the quantum of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

**Limited Investment Offerings:** On equity side, we invest primarily in listed equity shares that are in a position to benefit from the anticipated growth and development of the Indian economy. On fixed income side, we invest in Indian Sovereigns and Quasi-Sovereigns securities. Our investment advice will cover a limited selection of investments, and include affiliated mutual funds; individual securities, including but not limited to stocks, bonds, and exchange-traded funds. Other firms could provide advice on a wider range of choices, some of which might have lower costs.

**Account Minimums and Requirements:** In general, we require a minimum account size of INR 10 million to open and maintain an advisory account, which may be waived in our discretion.

Additional information about our investment advisory services, which includes the same or equivalent information, is located in Item 4 of our Firm Brochure (Form ADV Part 2A) which is available upon request or online by clicking the following link: [ADV Part 2A](#).

#### **CONVERSATION STARTER:**

- **Given my financial situation, should I choose an investment advisory service? Why or Why Not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education and other qualifications?**
- **What do these qualifications mean?**

#### **What fees will I pay?**

The following summarizes the principal fees and costs that you might pay when engaging our firm for investment advisory services. For detailed information, please refer to our Form ADV Part 2 by clicking this link: [ADV Part 2A](#)

**Asset-Based Fees** - Our asset-based fees for investment management range up to 1% annually for equity focused client accounts and range up to 0.25% annually for fixed income focused client accounts based on a tiered schedule. This fee is collected in arrears on a quarterly basis in terms of equity focused client accounts and on a monthly basis in case of fixed income focused client accounts and calculated as a percentage of the value of assets in your account[s] that we manage. This presents a conflict of interest as we are financially incentivized to encourage you to place more assets in your advisory account as you will ultimately pay more in advisory fees.

**Performance-Based Fees** - In addition to or instead of asset-based advisory fees, we may charge performance-based fees to certain clients in compliance with section 205(a)(1) of the Investment Advisers Act 1940 read with Rule 205 of the Advisers Rules if applicable. Specifically, we may charge those clients a periodic (either a quarterly or an annual) performance-based fee equal

to a percentage of the realized or unrealized appreciation of the client's account value. Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative. Also having a performance based fee structure has potential conflicts of interest, including the fact that we may have incentives to favour those clients who pay us performance-based fees.

**Other Fees** - In addition to our fees, Clients may also pay other fees or expenses to 3rd parties. These 3rd parties can include custodians, brokers and others. 3rd party fees can include commissions on securities transactions, custodial fees, deferred sales charges, and other fees and taxes on brokerage accounts and securities transactions. You will also incur expenses associated with the mutual funds or ETFs selected in your account. Additional fees may include account service fees and fund transaction fees. We do not charge these fees directly to Clients and do not benefit from any such fees.

More detailed information about our fees and costs associated with an investment advisory account, which includes the same or equivalent information, is provided in our Firm Brochure (Form ADV Part 2A) which is available upon request or online by clicking the following link: [ADV Part 2A](#).

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

**CONVERSATION STARTER:**

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:*

**Proprietary Products:** Some mutual funds selected for the client may be proprietary funds, which means the funds are managed, issued or sponsored by our affiliated companies. The investment advisers to each of the proprietary funds are affiliates of firm and receive fees from the pertinent proprietary fund for serving in these capacities. These fees are in addition to the Fee we charge you, which create a financial incentive for firm and the affiliated sub-adviser.

**Affiliated Service Provider-** We receive non-binding and non-discretionary research/advisory services from our 100% subsidiary, Quantum Asset Management Company Pvt. Ltd. (QAMC) with respect to investments by our clients. Our evaluation of QAMC's qualifications, suitability and performance as research/advisory services providers involve inherent conflicts of interest that would not be present if we were instead evaluating independent service providers.

Additional information about our conflicts of interest and how we address those conflicts can be found in our Firm Brochure (Form ADV Part 2A) which is available upon request or online by clicking the following link: [ADV Part 2A](#).

**CONVERSATION STARTER:**

- **How might your conflicts of interest affect me, and how will you address them?**

**How do your financial professionals make money?**

The financial professionals servicing your account(s) are compensated by salary and may receive a performance bonus, at the Firm's discretion. However the bonus is predicated on the Firm's overall Financial Performance and generally benchmarked to industry standards. The performance bonus is not linked to the amount of client assets serviced by them or the revenue the Firm earns from the financial professional's advisory services or recommendations.

**Do you or your financial professionals have legal or disciplinary history?**

No, our firm and our financial professionals currently do not have any legal or disciplinary history to disclose. Visit [Investor.gov/CRS](#) for a free and simple research tool to research our firm and our financial professionals.

**CONVERSATION STARTER:**

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

You may also contact our firm at +91-22-22830322 and talk to any one of our investment professionals or support staff and also request a copy of the Client Relationship Summary. You can find additional information about our investment advisory services by clicking the following link: [ADV Part 2A](#).

**CONVERSATION STARTER:**

- **Who is my primary contact person?**
- **Is he or she a representative of an investment adviser or a broker-dealer?**
- **Who can I talk to if I have concerns about how this person is treating me?**