

## **Part 2A of form ADV – Disclosure Brochure**

This brochure provides information about the qualifications and business practices of KDP Investments LLC, the advisor.

If you have any questions about the contents of this brochure, please contact KDP Investments LLC, at +1 (203)-987-5465 or +91 909-909-1390 or [kpatel@kdpinv.com](mailto:kpatel@kdpinv.com)

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Being a “registered investment advisor” does not imply certain level of skill or training.

### **Item 1 – Cover Page**

#### **KDP Investments LLC**

Date: August 29, 2013

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### **Item 2 – Material Changes**

This is first filing of brochure. Therefore, this item is not applicable.

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#### **Item 4 – Advisory Business**

KDP Investments LLC (“KDP Investments”, “we”, or the “firm”), is an Indiana Limited Liability Company. The company was formed on August 19, 2013. Kartikey D. Patel is Founder and Managing Partner.

KDP Investments is Investment Management company that:

- Builds and Manages Investment Portfolio for private individuals and businesses
- Provides Advisory Services to investors

Our investment objective is to increase principal value. We prefer companies with outstanding long-term economics available at a reasonable price. We follow and learn from famed value investors as we think great ideas often originate here. We are committed to a long-term investment approach. We do not chase short-term market favorites. This sometimes will hurt performance in strong bull markets, but we do not believe that chasing trends adds value over the long-term.

We are focused on 10-20 best investment ideas at a time. We pay individual attention to client’s reservation before an investment decision is made for a specific account. We recommend investors consider minimum 3 years lock-in to counter economic downturns.

KDP Investments is a fee only advisor. We work independently. We receive no commissions from transaction with broker/dealer. We do not receive commissions from selling financial products. We do not participate in wrap fee programs.

#### **Item 5 – Fees and Compensation**

We do not charge advisory fees in advance. Our advisory fees are based on client’s assets under management. Assets under management is fair market value of all securities held in account as of last business day of the calendar year or last business day of service termination. An advisory fee is calculated as fix percent of assets under management as below.

<b>Assets Under Management</b>	<b>Annual Fees</b>
Less than \$1,000,000	1.50%
\$1,000,000 or More	1.00%

An arrangement can be made with custodian to deduct advisory fees from client’s account and transfer into our account. Client pays brokerage fees for the transaction. Client pays account maintenance fees as agreed upon with the custodians. We receive no fees from transaction with broker/dealer. We do not receive fees from selling financial products.

#### **Item 6 – Performance Based Fees and Side-by-Side Management**

We do not use performance based fees schedule.

## **Item 7 – Types of Clients**

We provide investment advice to individuals and small business entities. Minimum account size is \$25,000.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

KDP Investments uses fundamental analysis in evaluating securities. Fundamental analysis involves analyzing individual company's strength and weakness, financial health, quality of management, and growth opportunities. The outcome of the analysis is (i) Companies we like to invest in (ii) Our conservative estimate of their intrinsic value. When we find such companies trading at discount to our estimated intrinsic value, we purchase them for our clients.

We strive to follow and learn from famed value investors as we think great ideas often originate here. Our source of information include, but not limited to, SEC filings, books, earning call transcripts, trade publications, and journals.

We may decide sell the companies, we are invested in, when we see one or more of following occur:  
(i) Find better opportunities elsewhere (ii) Companies are trading near or over intrinsic value (iii) Growth opportunities subsides (iv) Financial health deteriorates (v) Management decision are questionable.

Investing in securities involves risk of loss that clients must be prepared to bear. Some of the risks include:

Value Investing Risk: The Fund may incorrectly assess the value of companies or stocks selected for the Fund may not reach their anticipated full value. In addition, value funds may not perform as well as other funds when this style is out of favor with investors.

Concentration Risk – Our portfolios are less diversified the broad equity index. Therefore, risk of volatility is higher.

Market and Economic Risk – An account's investment value may decline due to changes in general economic and market conditions. This type of risk is caused by external factors and affects entire economies, markets or industries. During such times client may face large losses.

Management Risk – An accounts' value may decrease if we pursues unsuccessful investments or fail to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

## **Item 9 – Disciplinary Information**

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

## **Item 10 – Other Financial Industry Activities and Affiliations**

- A. KDP Investments or any of its management personnel is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. KDP Investments or any of its management personnel is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. This item is not applicable
- D. We do not recommend or select other investment advisor for our clients

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Below is a brief description of Code of Ethics. The full version will be provided with request made at [kpatel@kdpinv.com](mailto:kpatel@kdpinv.com)

KDP Investments does not recommend that clients buy or sell any security in which a related person to KDP Investments or KDP Investments has a material financial interest.

KDP Investments or related person may buy or sell securities that our firm recommends to clients. This may provide an opportunity for related person of KDP Investments to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations to clients. We will always transact client business before related person's when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

KDP Investments is not involved in direct brokerage practices.

We are open to work with client's chosen broker-dealer. We try to keep costs low for our client. In doing so, if we notice some shortfall with client's chosen broker-dealer, we will bring that to client's attention. We are not engaged in any soft dollar arrangements with broker-dealer. We do not receive client referrals from broker-dealer.

## **Item 13 – Review of Accounts**

Kartikey Patel conducts quarterly review of all accounts to decide on necessary changes in holdings. We provide reasons for changes made. When any investment or disposition opportunity arises, accounts will be viewed more frequently as needed.

**Item 14 – Client Referrals and Other Compensation**

KDP Investments doesn't compensate any individual for referrals. We do not have third party providing us economic benefit for investment advice service to clients.

**Item 15 – Custody**

KDP Investments doesn't take custody of client's funds or securities.

**Item 16 – Investment Discretion**

KDP Investments manage advisory accounts on discretion authority basis. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. Discretion authority empowers KDP Investments to make investment decisions for client's accounts. If client wants to limit discretion authority, written request is required. Discretion authority can be amended by client anytime.

**Item 17 – Voting Client Securities**

KDP Investments will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

**Item 18 – Financial Information**

KDP Investments does not require nor solicit prepayment of more than \$500 in fees per client six months or more in advance and therefore does not need to include a balance sheet with this brochure.

KDP Investments does not have any financial conditions that are likely to reasonably impair firm's ability to meet contractual commitments to clients

Our firm has not been the subject of a bankruptcy petition in the last ten years.

**Item 19 – Requirements for State Registered Advisors**

- A. This information is supplied elsewhere in this form ADV
- B. KDP Investments is not engaged in any other business activity
- C. KDP Investments is not compensated performance based fees

- D. No management person at KDP Investments or KDP Investments has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management
- E. KDP Investments or any managers of KDP Investment, has any relationship or arrangement with issuers of securities.