



Investment Advisor : RightFocus Investments Pvt. Ltd

Type of Registration with SEBI: Non-Individual
SEBI Registration No. INA200006628
PAN: AAHCR7166A; CIN: U65900KA2016PTC092356

LETTER OF ENGAGEMENT

Investment Advisory Agreement

Our Address:

#4020, 2nd Floor, HAL 2nd Stage,
17th Main, 1st Cross, Indiranagar,
Near Subway, Bangalore – 560008

Our Contact Details:

Contact Person: _____

Mobile: +91-_____

Email: _____

Website: <https://www.finatoz.com/>

Contact details of Principal Officer:

Name: Shailendra Kumar

Mobile: 9900142993

Email: shailendra@finatoz.com

To the Client:

Name: _____

PAN: _____

Address: _____

Contact Details: _____

INVESTMENT ADVISORY AGREEMENT

- 1. Appointment of the Investment Adviser:** In accordance with applicable laws, I/We do hereby appoint Right Focus Investments Private Limited as Investment Adviser entirely at my own risk to render the investment advisory and financial planning services in accordance with the terms and conditions of the agreement as mandated under Regulation 19 (1) (d) of the SEBI (Investment Advisers) Regulation 2013. I/We understand that all risk & rewards from the investments remain entirely at my/our risk and to my/our account.
- 2. Client Consent:** I/We have read and understood the terms and conditions of investment advisory and financial planning services provided by the Right Focus Investments Private Limited in the following pages and have also understood the fee structure and mechanism for charging and payment of fee.
- 3. Interaction with Client:** Based on my written request to the Investment Adviser I/We was/were provided the opportunity by the Right Focus Investments Private Limited to ask questions and interact with _____ being the person associated with the investment advisory and financial planning.
- 4. Declarations by the Investment Adviser:**
 - 4.1. We shall neither render any investment advice nor charge any fee until you have signed this agreement.
 - 4.2. We shall not manage funds and securities on your behalf and that we shall only receive such sums of monies from you as are necessary to discharge your liability towards fees owed to us.
 - 4.3. We shall not, in the course of performing our services to you, hold out any investment advice implying any assured returns or minimum returns or target returns or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to you that the investment advice is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.
 - 4.4. Maximum Fees specified under Investment Adviser Regulations and relevant circulars issued there under is given below:
 - **For assets under advice (AUA) mode:**
The maximum fees that may be charged under this mode shall not exceed 2.5% of AUA per annum per client across all services offered by the Investment Adviser.
 - **Fixed fee mode:**
The maximum fees that may be charged under this mode shall not exceed INR 125,000 per annum per client across all services offered by the Investment Adviser.
This is in accordance with Regulation 15A of the amended Investment Adviser regulations and with SEBI circular "Guidelines for Investment Advisers" dated September 23, 2020.
 - 4.5. Fees to be charged to you by us
The following fees are payable during the course of this engagement: Fee calculation and fee payment schedule has been shown in Annexure I.
- 5. Scope of Services:** The services under this Agreement shall be restricted to the following scope:
 - 5.1. The Services be limited to devising an Investment Plan and advising the Client with respect to Portfolio strategy and investment and divestment of Securities and Funds held by the Client, on a non-exclusive basis for an agreed fee structure and for a period hereinafter described, entirely at the Client's risk.
 - 5.2. The Investment Advisor's authority over the Client's investments shall only extend to services as described above. The actual investment shall be undertaken by the Client.
 - 5.3. The Client has the sole discretion to decide on whether to act upon the advice tendered by the Investment Advisor and the Investment Advisor shall have no power, authority, responsibility or obligation to ensure or cause the client to act upon the advice tendered by investment advisor

pursuant to this agreement.

6. Functions of the Investment Adviser: The Investment Adviser (RIA) will ensure compliance at all times with the following functions, obligations, duties and responsibilities:

- 6.1. We will always be in compliance with the SEBI (Investment Advisers) Regulations 2013 and its amendments, rules, circulars and amendments and notifications (together the Regulations)
- 6.2. We will always be in compliance with the eligibility criteria as specified in the Regulations at all times
- 6.3. We will conduct your risk capacity and risk aversion tests as required under the Regulations and as per our standard policy and the same shall be shared with you
- 6.4. We will provide reports to you on potential and your current investments
- 6.5. I / We, shall maintain the records, as specified u/r 19(1) of IA Regulations and related books of accounts including client accounts and data.
- 6.6. We will comply with the provisions regarding the compliance audit as specified in the Regulations
- 6.7. We will abide by the code of conduct as specified in the Regulations

7. Investment objective and guidelines:

- 7.1. We confirm that we shall recommend implementation of advice through direct schemes/direct codes wherever available and take into account any specifications/restrictions desired by you or as required by Regulations.
- 7.2. We confirm that we will present a written financial plan or model, or strategy based on the risk profiling conducted for yourselves, Total AUA for yourselves and the time period of deployment. We further confirm we will obtain your confirmation before implementing any financial plan or model or strategy presented to you.
- 7.3. We confirm that we will consider the tax related aspects pertaining to investment advice and on our fees.

8. Confidentiality: The Investment Adviser agrees to handle all information provided by the Client with utmost care and confidentiality in accordance with applicable regulations and prescribed industry standards. However, if required by an appropriate government authority or by the Regulations, the Investment Adviser may have to divulge said confidential information but agrees to provide appropriate notice to the Client before doing so.

9. Risk Factors: The Client expressly acknowledges and agrees that all investments are subject to third party risks, market risks etc., and in no circumstance shall the Investment Adviser be liable for any losses suffered by the Client as a result of any investment made pursuant to this Agreement. A list of such risks has been described in **Annexure II** of this Agreement; however, it shall in no manner serve as conclusive list of all possible risks that could arise out of such investment.

10. Validity of advisory services: This agreement shall commence on _____ (hereinafter referred to as the "Date of Commencement") and This Agreement shall be valid unless either party or both parties terminate it after giving a one-month notice pursuant to section 12 (Termination) of this Agreement.

11. Amendments: Neither party may assign benefits or obligations under this Agreement to any other party without the prior written consent of the other party.

12. Termination:

- 12.1. It is agreed that either party to this Agreement shall have the right to terminate this Agreement without having to assign any reasons, by providing the other party, a thirty (30) days' prior written notice of the same.

- 12.2. Without prejudice to any other remedy available at law or equity, in the event of default by either of the Parties, the non-defaulting Party shall have the right to terminate this Agreement forthwith in the event of the defaulting Party failing to perform or rectify such breach of its obligations under this Agreement within a period of thirty (30) days from the date of notice to rectify such default.
- 12.3. It is further agreed that in the event of termination of this Agreement, the Client shall be liable to pay the fee due till the date of termination of this Agreement on a pro-rata basis of assessment subject to **Annexure I** attached herein under.
- 12.4. Suspension/Cancellation of our registration as an Investment Adviser by SEBI
- 12.5. Any other action taken by other regulatory body/Government Authority

In case of a voluntary termination of the agreement, the client would be required to give a 30 days' prior written notice while the Investment Adviser would be required to give a 30 days' prior written notice. In case of suspension of the certificate of registration of the IA, the client may be provided with the option to terminate the agreement.

13. **Implications of Amendments and termination:** In the event of a voluntary/mandatory termination by the Investment Advisor, the Client shall be refunded the fees for an unexpired period. There are no refunds from us when our fee is payable in arrears. We will provide transitional support to allow you to continue investing and financial planning on your own or transfer it to any other person you indicate.
14. **Relationship with related parties:** We are carrying on the Investment Advisory activities independently on an arm's length basis from all our other activities and it will be carried on as such throughout the tenure of this Agreement. Any conflict of interest with our related entities will be separately disclosed to you.
15. **Investment Adviser engaged in other activities:**
 - 15.1. To represent IA shall not provide any distribution services, for securities and investment products, either directly or through their group to an advisory client.
 - 15.2. To represent IA shall not provide investment advisory services, for securities and investment products, either directly or through their group to the distribution client;
16. **Representation to client:** We shall take all consents and permissions from you prior to undertaking any actions in relation to the securities or investment product advised by us.
17. **No right to seek Power of Attorney:** We shall not seek any power of attorney or authorizations from you for auto implementation of investment advice.
18. **No conflict of interest:** We declare that we do not derive any direct or indirect benefit out of the securities/investment products invested by you.
19. **Maintenance of accounts and confidentiality:**
 - 19.1. We shall maintain your accounts and data as mandated under the Regulations.
 - 19.2. The Investment Advisor agrees to handle all information provided by the Client with utmost care and confidentiality in accordance with applicable regulations and prescribed industry standards. However, if required by an appropriate government authority or by the Regulations, the Investment Advisor may have to divulge said confidential information but agrees to provide appropriate notice to the Client before doing so.
20. **Terms of fees and billing:**
 - (a) Provide specific details on the following:

- (i) The quantum and manner of payment of fees for investment advice rendered. 1.2% of assets under management will be charged for investment portfolios. 1/12th portion of Fee will be collected monthly on pro-rata basis from the "Trading Account" if the Trading account has insufficient funds, Fee will be collected by the redemption of appropriate Mutual fund available in the portfolio. If total collection less than the minimum fee. The difference of the fee will be raised as an invoice at the end of the subscription year.
- (ii) Fee modalities and periodicity, by attaching a detailed fee schedule to the agreement; 1/12th portion of Fee will be collected quarterly on pro-rata basis.
- (iii) Illustration(s) on how the fee will be determined.
if you have 24 Lacs (calculated based on daily average) in your investment portfolio, your yearly charges will be 1.2% of Rs.24 Lacs equals to Rs. 28,800. You will be charged Rs. 28,800/12 * 3 = Rs. 7,200 in the first quarter. And so on.
- (iv) whether payment to be made in advance;
Payment is not paid in advance.
- (v) type of documents evidencing receipt of payment of fee;
An Emailer will be sent to the customer on Receipt of payment of fee
- (vi) Periodicity of billing with clear date and service period;
As discussed in 19(a) II, fee will be collected on a quarterly basis.

(b) The payment of fees shall be through a mode which shows traceability of funds. Such modes may include account payee Crossed Cheque/ Demand Drafts or by way of direct credit to the bank accounts through NEFT/ RTGS/ IMPS/ UPI or any other mode specified by SEBI from time to time. However, the fees shall not be accepted in cash.

21. Liability of Investment Adviser:

- 21.1. We shall not incur any liability by reason of any loss, which you may suffer by reason of any depletion in the value of the assets under advice, which may result by reason of fluctuation in asset value, or by reason of non-performance or under-performance of the securities/funds or any other market conditions.
- 21.2. The Parties hereby agree that the risks and losses incurred by the Client in pursuance of financial advice rendered by the Investment Advisor shall be borne solely and exclusively by the Client and/or any legal representative of the Client.
- 21.3. The Client understands that the responsibility of the Investment Advisor does not extend beyond providing a financial advice that is best suited to the investment needs of the Client and as such any investment decision made by the Client, relying completely or in part, upon the financial advice rendered by the Investment Advisor shall be deemed to have been made voluntarily and independent of the Investment Advisor's influence.
- 21.4. The Client understands that the financial advice rendered by the Investment Advisor is subjective and unique to the investment related needs and the financial situations of the Client and is designed in the light of the market conditions. Any advice rendered to a third party by the Investment Advisor and benefits thus accrued or the losses incurred by the same shall have no bearing whatsoever upon the unique financial advice rendered to the Client.
- 21.5. The Client Further agrees that any risk undertaken and/or loss incurred by employing the unique financial advice rendered by the Investment Advisor to a third party shall be the responsibility and/or the liability of the Client and/or any legal representative thereof.
- 21.6. The Investment Advisor undertakes to render financial advice best suited to the Client's requirement with considerable diligence. The Investment Advisor shall not be liable for any loss incurred by the Client during or after the term of this Agreement.

- 22. Representations and covenants:** We confirm that we, our principal officer and the persons associated with the investment advice shall be appropriately qualified as required under the Regulations. We have all applicable approvals and consents as required from regulatory / statutory bodies, third party consents, corporate approvals etc. and covenant to maintain them throughout the validity of this Agreement.
- 23. Death or Disability of client:** We shall provide appropriate transition services to your nominee in the event of your death/ disability, succession, nomination, representation etc. The Client understands it is his/her responsibility to keep the family members informed about his/her investments and the relationship with the Investment Adviser.
- 24. Death or Disability of the Investment Adviser:** Right Focus Investments Private Limited is a corporate entity. So this is **Not Applicable** for Non-Individual IA.
- 25. Settlement of disputes and provision for arbitration:** All actions taken in good faith are protected. All disputes between us shall be subject to resolution, including arbitration, as may be provided under the Regulations.
- 25.1. Any dispute in connection with the interpretation, performance, termination of this Agreement, or otherwise in connection with this Agreement (“Dispute”) shall be referred to arbitration under the Arbitration and Conciliation Act, 1996, as may be amended from time to time, or any re-enactment thereof, by a sole arbitrator to be mutually appointed by both Parties.
- 25.2. The arbitration proceedings shall be conducted at Bengaluru, in the English language.
- 25.3. The arbitration award in respect of a Dispute shall be final and binding on the Parties, and enforceable in accordance with its terms. The arbitrator shall state reasons for his / her findings in writing. The Parties agree to be bound thereby and to act accordingly.
- 25.4. Kindly note that so far no litigations have been filed against the company since the incorporation of the company.
- 26. Adherence to grievance redressal timelines:** For any complaints on our services, kindly mail us at complaint@finatoz.com . Complaints raised on this email-id will be accessed by the senior management of our company and will be treated on utmost priority. In case the company is not able to resolve your complaint to your satisfaction, you have a choice to raise your complaint to the SEBI complaint redressal system. Such complaints can be made to <https://scores.gov.in/scores/Welcome.html>
- 27. Severability:** The Parties herein agree that in the event of any of the clauses rendered unlawful in accordance with the imposition of new government policies, rules or enactments, the rest of the clauses shall continue to remain in operation except as otherwise agreed upon by the Parties in writing.
- 28. Force Majeure:** We shall not be responsible for delays or errors occurring by reason of circumstances beyond our control, including but not limited to acts of civil or military authority, national emergencies, work stoppages, fire, flood, catastrophe, acts of God, insurrection, war, riot, or failure of communication or power supply. in the event of equipment breakdowns beyond our control, we shall take reasonable steps to minimize service interruptions but shall have no liability with respect thereto.

Each party agrees to perform such further actions and execute such further agreements as are necessary to effectuate the purposes hereof.

We shall not, without your prior knowledge and written approval, contract or receive any referral fee, commission, remuneration or any other benefits in any form or manner from any entity or any other distributor or professional(s) to whom you may be referred with your prior approval.

Annexure I - Consideration

I. Advisory Fees

The Customer shall be liable to pay an advisory fee of _____ of AUA (Assets under Advisory) and applicable GST per annum.

Note: This fee is subject to a **minimum charge of _____ + GST per annum**. The above fees will be deducted on a quarterly basis (example below*).

AUA includes investment products like Mutual funds, PMS, AIF etc. Any discussion on assets like Real estate, Insurance, ULIPs etc. will not be considered as part of AUA.

*Example for quarterly deduction: if you have 24 Lacs (calculated based on daily average) in your investment portfolio, your yearly charges will be 1.2% of Rs.24 Lacs equals to Rs. 28,800. You will be charged Rs. 28,800/12 * 3 = Rs. 7,200 in the first quarter. And so on.

Annexure II - Investment risks

1. Third Party Risk

- i. The Investment Advisor shall not be liable for any loss or damage caused by reason of failure or delay by the issuers of the Securities to deliver Securities of issuers purchased even though payment have been made for the same or failure or delay in making payment in respect of any units of Securities of issuers sold though they may have been delivered and the Client shall hold the Investment Advisor harmless and free from any claim in respect thereof.
- ii. The Investment Advisor shall also not be liable for any delay, failure or refusal of the issuers in registering or transferring of Securities to the Client's name or for any interest, dividend or other loss caused to the Client arising therefrom.

2. Risk Acknowledgment

- i. The Investment Advisor does not guarantee the future performance of any of the Securities purchased or any specific level of performance, the success of any investment decisions or strategy that the Investment Advisor may use. The Client understands that investment advices given to the Client by the Investment Advisor are subject to various market, currency, economic, political and business risks, and that those investment decisions may not always be profitable.
- ii. Except as may otherwise be provided by law, the Investment Advisor will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by the Investment Advisor with that degree of care, skill, prudence, and diligence under the circumstance that a prudent person acting in a fiduciary capacity would use (b) any loss arising from the Investment Advisor's adherence to Client's written or oral instructions; or (c) any act or failure to act by any broker or dealer who the Investment Advisor directs transactions for the Client, or by any other third party.

3. Market and Other Related Risks

The Client expressly agrees and acknowledges that all investments are subject to market and other related risks and there is no assurance or guarantee, whether directly or indirectly, that the value of or return on investments will always be accretive, and that it could depreciate to an unpredictable extent. The Client further agrees and acknowledges that the details of risk foreseen by the Investment Advisor and risk relating to the Securities

recommended by the Investment Advisor for investment or disinvestments includes but is not restricted to the following:

- (i) Investment in equities, derivatives and mutual funds are subject to market risks and there is no assurance or guarantee that the objective of the schemes will be achieved.
- (ii) With any investment in Securities, the net asset value of the Portfolio can go up or down depending upon the factors and forces affecting the capital market.
- (iii) The performance may be affected by changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (iv) Investments in debt instruments are subject to default risk and interest rate. Interest rate risk results from changes in demand and supply for money and other macro-economic factors and creates price changes in the value of the debt instruments. Consequently, the net asset value of the Portfolio may be subject to fluctuation.
- (v) Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- (vi) Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party.
- (vii) Use of derivatives instruments like index, futures, stock futures and options contracts, warrants, convertible, Securities, swap agreements or any other derivative instruments, including but not restricted to, for the purpose of hedging and Portfolio balancing, as permitted under the Regulations and guidelines will expose to certain risk inherent to such derivatives. The Client is aware that the derivatives are highly leveraged instruments and even a small price movement in the underlying security could have a large impact on their value.

The Client understands that the following specific risks may arise in the context of Investment in Derivatives:

- (i) Investment in futures involves daily settlement of all positions. Every day the open positions are marked to market based on the closing level of the Index. The Index may move against the position that may have been assumed leading to Marked to Market losses; sometimes these may be substantial.
- (ii) Under certain market conditions, it may be difficult or impossible to execute transactions. There may be insufficient liquidity owing to factors including insufficient bids or offers or suspension of trading owing to other reasons. The Client acknowledges this liquidity risk.
- (iii) Buying an option carries a risk of losing the entire premium that is paid upfront on it, if the market in the security moves in a contrary direction to the position assumed.
- (iv) The Exchange may impose restrictions and have absolute authority to restrict the exercise of options in specified circumstances in specified times. This reflects that there is liquidity risk involved in Investment in options.
- (v) The Option writer who sells the options runs the risk of losing substantial amount if the underlying asset does not move in the anticipated direction.
- (vi) Investment in Derivatives for the purposes of hedging is subject to Basis risk. Basis risk is the risk that the Instrument of the hedge is not a perfect match for the Underlying. The Client acknowledges this Basis risk. The Client expressly acknowledges that the aforementioned risks are strictly indicative and that other risks may arise in the context of investment in derivatives, particularly when positions are assumed synthetically, including for the purposes of generating returns.
- (vii) The Client expressly acknowledges that the aforementioned risks are strictly indicative and that other risks may arise in the context of investment in derivatives, particularly when positions are assumed synthetically, including for the purposes of generating returns.
- (viii) The Client expressly agrees and undertakes not to hold the Investment Advisor liable, financially or otherwise, in respect of the aforesaid under any circumstances whatsoever.