

**INVESTMENT ADVISORY AGREEMENT BETWEEN CLIENT(S) AND ADVISOR**

This Agreement is entered into this \_\_\_\_\_, 202\_ at MUMBAI between **M/s. SANGUINE WEALTH ADVISORS LLP** (hereinafter referred to as the “Advisor” or “Sanguine the “Advisor”) having its registered office at **B7 JAY CHAMBERS, DAYALDAS ROAD, VILE PARLE (EAST), MUMBAI- 400 057.**

**AND**

The Client(s) \_\_\_\_\_ hereinafter referred to as ("Client(s)"), an individual/body corporate desirous to avail advisory services from the Advisor and having their ~~residence~~ / permanent / ~~Registered~~—office address at

\_\_\_\_ the **Other Part**;

WHEREAS, the Advisor is registered as an Investment Advisor under the SEBI (Investment Advisor) Regulations, 2013 with **Registration Number RIA INA000009685** and provides investment advisor services and the Client(s) wishes to retain the Advisor to act as their investment advisor in accordance with the terms and conditions set forth in this Agreement,

THEREFORE, in consideration of the foregoing and the mutual promises set forth below, the Advisor and the Client(s) agree as follows:

**1. Appointment of the Investment Advisor:**

The Client(s) hereby appoints, entirely at their / its risk, the Advisor to provide the required services in accordance with the terms and conditions as mandated under Regulation 19(1) (d) of the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 and as per the applicable laws.

**2. The Client(s) hereby accepts that:**

- a. I /We have read and understood the terms and conditions of Investment Advisory services provided by the Advisor along with the fee structure and mechanism for charging and payment of fee.
- b. Based on our request to the Advisor, an opportunity was provided by the Advisor to ask questions and interact with person(s) associated with the investment advice.

**3. Declaration from the Investment Advisor:**

- a. The Advisor shall neither render any investment advice nor charge any fee until the Client(s) has signed this agreement.
- b. The Advisor shall not manage funds and securities on behalf of the Client(s) and that it shall only receive such sums of monies from the Client(s) as are necessary to discharge the Client(s) liability towards fees owed to the Advisor.
- c. The Advisor shall not, in the course of performing its services to the Client(s), hold out any investment advice implying any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the Client(s) 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.
- d. The maximum fees that can be charged under Investment Advisor Regulations and relevant circulars issued there under is 2.5% of the Assets under Advice (Variable Fee) or a fixed fee of Rs.1,50,000 per annum for all the services provided.
- e. The Fees that shall be charged to the Client(s) shall be as specified in Schedule I of this Agreement.

**4. Scope of services:**

- a. Advisory: The Advisor shall advise the Client(s) in relation to the investment of the Portfolio, as well as on such ancillary matters as shall reasonably be requested by the Client(s) and having regard to the investment objectives and restrictions of the Client(s). The Advisor shall provide his recommendation, opinion, financial plan or any follow up queries directly to the Client(s) or authorised representatives of the Client(s). The Client(s)

may, at his sole discretion, agree to execute or adhere to the Investment Advisory provided by the Advisor.

- b. The Advisor shall create the requisite portfolio for the respective Client(s) based on the complete risk profile created by the Advisor. The Advisor shall have the right to create multiple portfolio styles based on his independent assessment of the risk profile of the respective Client(s).
- c. In performing its obligations under this Agreement, the Advisor shall perform such activities which are permitted under the Securities and Exchange Board of India (Investment Advisors) Regulations, 2013 and shall act in a fiduciary capacity towards its Client(s) at all times.
- d. In carrying out its duties hereunder, the Advisor shall observe and comply with all applicable laws, rules and regulations from time to time, including those under the regulations and the applicable circulars and guidelines issued by the SEBI and RBI. For the avoidance of doubt, the Advisor shall not hold any assets or fund belonging to the Client(s).
- e. The Advisor confirms that it has a clean disciplinary history
- f. Execution: The Client(s) has the freedom to choose the broker through whom the execution services are to be carried out and is not obligated to trade through the Advisor.
- g. The Advisor shall provide these services in a fiduciary capacity at all times and shall disclose any conflict of interest at all times.

##### **5. Functions Obligations, Duties and Responsibilities of the Advisor:**

- a. The Advisor shall maintain arm's length relationship between its activities as investment Advisor and its activities of distribution or execution services.
- b. The Advisor shall ensure that the key personnel offering Investment Advice shall possess the necessary qualifications as prescribed in the SEBI (Investment Advisors) Regulations, 2013 and also necessary certification on financial planning or fund or asset or portfolio management or investment advisory services from NISM
- c. The Advisor shall ensure that risk profiling of Client(s) has been carried out on periodical basis and Client(s) is obligated to provide such information which is necessary for carrying out risk profiling using industry recognized tool or such other questionnaire for carrying

out risk profiling. The information derived from risk profiling shall be communicated to the Client(s) after risk assessment has been done. Further, investment advice shall be provided based on suitability and appropriateness based on Client(s) investment objectives, risk tolerance, experience and knowledge of understanding risk by Client(s) and rationale shall be documented towards the same. The Client(s) shall be required to provide all information pertaining to their investment portfolio and the investment advice shall be provided based on the responses provided by Client(s) in the risk profiling and/or financial planning.

- d. The Advisor shall provide the suitability report as mandated under the SEBI (Investment Advisors) Regulations, 2013 to the Client(s).
- e. The Advisor shall maintain the following records specified in the SEBI (Investment Advisor) Regulations, 2013 either in the electronic or physical form for a period of 5 years:
  - Client(s)-wise KYC,
  - risk assessment, analysis
  - reports of investment advice and suitability,
  - related books of accounts and
  - a register containing list of Client(s) along with dated investment advice and its rationale
- f. The books of accounts and other records of the Advisor shall be audited annually by independent auditors appointed by the Advisor who shall ensure that the Advisor follows proper systems and procedures as well as complies with the relevant SEBI guidelines in this regard.
- g. The Advisor undertakes to abide by the Code of Conduct as specified in the SEBI (Investment Advisor) Regulations, 2013.
- h. The Advisor shall not provide any distribution services, for securities and investment products, either directly or through their group to an advisory Client(s).
- i. The Advisor shall not provide investment advisory services, for securities and investment products, either directly or through their group to the distribution Client(s).

## **6. Responsibilities of the Client(s)**

- a. The Client(s) will keep the Advisor informed of any changes in the investment policies or investment restrictions or any change in the risk profiling document of the Client(s).
- b. The Client(s) shall have the right to review and override the portfolio created by the Advisor. It is the sole responsibility of the Client(s) to communicate to the Advisor of any queries or any divergent opinion, which he may have, against the portfolio created by the Advisor. The Client(s) shall, at its own risk, have the right to execute or edit the portfolio.
- c. The Client(s) shall maintain the control over the assets of the Client(s), the Advisor shall in no event, have the right to control the assets of the Client(s). The Advisor shall not be responsible for executing the financial plan for or on behalf of the Client(s).

#### **7. Declarations, representations and warranties of the Client(s)**

- a. The Client(s) declares that the Client(s) has complied with and agrees to comply with all statutory formalities and guidelines issued by any regulatory authority to enable to enter into this arrangement with the Advisor.
- b. The Advisor shall have no liability for any such advice or representation made as it will be the responsibility of the Client(s) to make individual assessment.
- c. The Client(s) hereby agrees that the money being invested has been sourced through legitimate sources and subject to no violation in present, and, in future too there will no violation under the Prevention of Money Laundering Act, 2002 and subsequent amendments to the said act. The Client(s) hereby confirms and agrees that Investment Advisor reserves the right to report any suspicious transaction to the Director of Financial Intelligence Unit-India (FIU-IND), New Delhi or any other competent authority, after applying appropriate due diligence measures and believes that the transaction is suspicious in nature with the purview of applicable law and/or SEBI circulars/guidelines issued from time to time.
- d. The Client(s) hereby declares that the Client(s) have clear ownership of the money / wealth being advised through the Advisor and there are no violations of any concerned statutory regulations.
- e. The Client(s) hereby declares that the Client(s) are duly authorized, eligible and competent to enter into business relationship with the Advisor. Further, Client(s) declares that the

Client(s) has not been debarred / suspended or prohibited from carrying on its normal activities and more especially the service governed through this arrangement.

- f. The Client(s) hereby declares and represents that the Client(s) will, at all times during the existence of this arrangement with the Advisor be the holder of all registrations and authorization required by any regulatory authority to carry on its activity.
- g. The Client(s) shall comply with all Applicable Laws including but not restricted to the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003, The Prevention of Money Laundering Act, 2002, the Income Tax Act 1961 as may be enacted from time to time and the Advisor shall not be responsible for any breach by the Client(s) of such Applicable Laws.
- h. In the event of a change in the Client(s) constitution or identity by change of name or inter alia, events such as merger, amalgamation, liquidation, winding up, takeover, or change in management, as the case may be, during the term of this Agreement the Client(s) shall keep the Advisor duly informed in writing of such change and provide such information to the Advisor as the Advisor may request in this regard. In such an event, the Advisor shall seek advice or appropriate directions where required, under Applicable Laws with regard to the continuation of this Agreement.
- i. The Client(s) shall communicate the Risk Profile Questionnaire Report to the Advisor and is also required to provide all information pertaining to their investment portfolio or any change thereof. The Advisor shall provide investment advice based on the responses provided by Client(s) in the Risk Profiling and / or Financial Planning / or information provided towards their overall portfolio.

## **8. Investment Objectives**

The Advisor may, at the request of the Client(s), advise the Client(s) on a range of financial products including but not limited to equities and equity-related products, fixed income products, real estate products, financial planning, tax planning, Will drafting, succession planning, sovereign gold bond, and investment analysis (collectively termed as

"Product(s)"). Unless specifically requested by the Client(s) and explicitly agreed by the Client(s), the Advisor has no ongoing obligation to advise the Client(s) on, or to monitor, any individual investment or portfolio of investments held with the Advisor or otherwise.

When, at the request of the Client(s), the Advisor advises on Products services shall be provided by the Advisor as per standards prescribed in the applicable Regulations, which may require the Advisor to have a reasonable basis to believe that such advice:

- (a) meets investment objectives of the Client(s) as may be recorded with the Advisor and confirmed by the Client(s) including but not limited to risk assessment;
- (b) that the Client(s) is able to bear investment risk consistent with the investment objectives and risk tolerance of the Client(s); and
- (c) that the Client(s) has the necessary experience and knowledge to understand the risks involved in the investment(s).

Notwithstanding the advice of the Advisor, the decision, action or omission for financial plans, investment baskets to buy, sell, hold or otherwise deal in the Products shall be based on the independent evaluation of the risks and rewards of the investments and own verification of all the relevant facts, including financial and other circumstances and a proper evaluation thereof by the Client(s).

It is recommended that the Client(s) obtains their / its own independent legal and tax advice, tailored to their / its particular circumstances.

## **9. Risk Factors**

- a. Investments in securities are subject to market risks and Advisor will not in any manner whatsoever assure or guarantee that the objectives of the scheme will be achieved. The Advisor will not be responsible or liable for any loss resulting from the investment

- b. Client(s)s are not being offered any guaranteed/assured returns.
- c. Investment advice is subject to risk arising from the investment objective, investment strategy and asset allocation.
- d. General Risk Factors: The value of the Portfolio may increase or decrease depending upon various market forces affecting the capital markets such as de-listing of Securities, market closure, relatively small number of scripts accounting for a large proportion of trading volume. Consequently, the Advisor makes no assurance of any guaranteed returns on the Portfolio.
- e. Equity and Equity related Risks: Equity instruments carry both company specific and market risks and hence no assurance of returns can be made for these investments.
- f. Macro-economic risks: Overall economic slowdown, unanticipated corporate performance, environmental or political problems, changes to government policies and regulations with regard to industry and exports may have direct or indirect impact on the investments, and consequently the growth of the Portfolio.
- g. Liquidity Risks: Liquidity of investments in equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular Security does not have a market at the time of sale, then the investments may have to bear an impact depending on its exposure to that particular security. While Securities that are listed on a stock exchange generally carry a lower liquidity risk, the ability to sell these investments is limited by overall trading volume on the stock exchange. Money market Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of such Securities thereby resulting in a loss to the Portfolio until such Securities are finally sold.
- h. Credit Risk: Debt Securities are subject to the risk of the issuer's inability to meet the principal and interest payment on the obligations and may also be subject to the price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.
- i. Interest Rate Risk: Client(s) intending to avail securities linked to interest are aware that such securities are associated with movements in interest rate, which depend on various factors such as government borrowing, inflation, economic performance etc. The value of investment will appreciate/depreciate if the interest rates fall/rise.

- j. Fixed income investments are subject to the risk of interest rate fluctuations, which may accordingly increase or decrease the rate of return thereon.
- k. The Client(s) stands the risk of total loss of value of an asset, which forms parts of the Portfolio. The Client(s) also bears the risk of its recovery through legal process, which could be expensive. Some of the risks by way of illustration include default or non-performance of a third party, company's refusal to register a Security due to legal stay or otherwise or disputes raised by third parties.
- l. Non-Diversification risk: This risk arises when the Portfolio is not sufficiently diversified by investing in a wide variety of instruments.
- m. Mutual Fund Risk: This risk arises from investing in units of mutual funds. Risk factors inherent to equities and debt securities are also applicable to investments in mutual fund units. In addition, events like change in the Fund Manager of the Scheme, take over and mergers of mutual funds, foreclosure of Schemes or plans, change in government policies could affect performance of the investment in mutual fund units.
- n. Price/Volatility Risk: Equity Markets can show large fluctuations in price, even in short periods of time. Investors should be aware of this and only invest in equity or equity related products if their investment horizon is long enough to support these important price movements.
- o. Investment in REITs would carry the risk of interest rate fluctuations, leverage risks, market risks and regulatory risks.
- p. Investment in structured products carry the risk of Issuer default and extraordinary price movements. Investors should also be aware of the expiry time horizon and choose a product with an appropriate lifespan for their trading strategy.

## **10. Confidentiality**

- a. The Advisor and the Client(s) agree and undertake to keep confidential at all times the confidential information provided to the other party, details of this arrangement and all materials and other related documents pertaining to the transactions shared by the parties in connection with this agreement.

- b. The Advisor will not publish, disclose or use any such confidential information unless required by law, order of a court of competent jurisdiction or by a regulatory authority or with specific permission of the Client(s).
- c. The Advisor may share the Client(s) information for the purpose of taking expert / legal advice, if any, at the Client(s) cost as mutually agreed between both the parties before acting upon.
- d. Neither Party hereto shall (except in the course of its duties hereunder or where required to comply with judicial, quasi-judicial, regulatory or statutory requirements) disclose to such third party (as may be directed by such regulatory/statutory authority) which disclosure shall be no more extensive than is usual or necessary to meet the requirements imposed upon the Party making such disclosure any information relating to Client(s) or any investors or the affairs of the other Party (including information about the customers of either Party) and the arrangements contemplated by this Agreement or the contents of this Agreement unless authorized in writing by such other Party, as the case may be, and shall prevent any such prohibited disclosures as aforesaid whether by any of its officers, employees or agents. The receiving Party shall not be liable for disclosure or use of any Confidential Information if: i. information which now is or hereafter comes into the public domain, otherwise than by reason of a breach of this Agreement; or ii. information made available to the receiving Party from other sources without obligation of confidentiality; or iii. Information that is already in the possession of or independently developed by the receiving Party. iv. Information which becomes known to the receiving Party prior to such disclosure without similar restrictions from a source other than the disclosing Party, as evidenced by written records.

#### **11. Relationship with related parties**

The Advisor hereby declares that it is carrying on its activities independently, at an arms-length basis with its related parties.

#### **12. Consents and Permissions**

The Advisor confirms that all consents and permissions from the Client(s) prior to undertaking any actions in relation to the securities or investment product advised by the investment Advisor have been taken.

### **13. Power of Attorney**

The Advisor declares that it shall not seek any power of attorney or authorizations from its Client(s) for implementation of investment advice.

### **14. Liability of the Advisor**

- a. Without prejudice to what is stated above, the Advisor shall not be liable for any or by reason of any loss or damage arising to the Client(s) or failure or delay in complying with the instruction of the Client(s) which is caused directly or indirectly by any event or circumstances beyond the control of the Advisor.
- b. The Advisor shall not be liable for 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.
- c. The Advisor shall not be liable for any error or inaccuracies in any of the publicly available information that may be provided for Client(s) by the Advisor.
- d. The Client(s), acknowledges and agrees that the Advisor (or its directors, officers, employees, agents, consultants or other representatives) shall not be responsible or liable for any direct, indirect, incidental, consequential, special, exemplary, punitive or any other damages (including loss of profits, loss of goodwill, business interruption etc.) for any error of judgment, mistake or for any loss suffered by the Client(s) in connection with the Services or in respect of any matter to which the Agreement relates unless such damage or loss is finally judicially determined to have resulted primarily from the wilful misfeasance and bad faith of the Advisor.
- e. Neither the Advisor nor any employee or agent of the Advisor shall be liable for any advice or representation made by it under this Agreement; it will be the Client(s) responsibility to make an independent assessment.

**15. Term**

This Agreement shall come into force on the execution hereof and shall continue to be in force until terminated in accordance with the provisions hereof.

**16. Adherence to grievance redressal timelines**

The Advisor shall be responsible to resolve the grievances within the timelines specified under SEBI circulars.

**17. Severability**

If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected.

**18. Force Majeure**

The Investment Advisor shall not be liable for delays or errors occurring by reason of circumstances beyond its 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 its control, the Advisor shall take reasonable steps to minimize service interruptions but shall have no liability with respect thereto.

**19. Termination**

Either party may terminate this agreement at any time, by giving the other party Thirty (30) days prior written notice. Upon termination by either party all outstanding fees in accordance to this agreement due to the Advisor at that time shall be settled in full within thirty (30) days. This Agreement shall stand terminated forthwith on occurrence of the following events during the currency of this Agreement:

- i) Insolvency, dissolution or winding up of the Client(s);
- ii) Suspension or termination of the registration of the Advisor as an Investment Advisor by SEBI or any other competent authority;
- iii) Investment Advisor rendered incapable of rendering the Services; or

iv) Insolvency, dissolution or winding up of the Advisor.

Upon termination, the Client(s) or the heirs / successors / permitted assigns of the Client(s) shall settle all dues owned by the Client(s) under this Agreement towards fees, costs, charges and expenses.

## **20. Death or Disability of Client(s)**

In case of death / disability of the Client(s), the agreement shall stand terminated with immediate effect.

## **21. Amendments, variations and Modifications**

- a. The Advisor may at any time amend, vary or modify this Agreement by providing written notice to the Client(s). Unless prohibited by Applicable Laws, The Advisor will give the Client(s) notice (by post or electronically) of any change made under this clause at least 30 days in advance of the change coming into effect.
- b. However, The Advisor may introduce changes as soon as it gives the Client(s) notice if the Advisor considers they are necessary, or to take account of legal or regulatory requirements, or if they are technical or procedural in nature and the Advisor reasonably believes they will help the Advisor to improve its service to the Client(s). Where Sanguine does so:
  - (i) it will tell the Client(s) the date the change comes into effect; and
  - (ii) if notice is given to the Client(s) at the most recent physical or email address the Advisor has for the Client(s), the Client(s) will be treated as having agreed to be bound by that change with immediate effect or 30 days after the notice is deemed to have been received by the Client(s) (as the case may be), unless the Client(s) terminate this Agreement.
- c. If the Client(s) does not want to be treated as accepting a change, the Client(s) must, before it comes into effect, tell the Advisor that the Client(s) wants to terminate this Agreement. The continued use of advisory services by the Client(s) shall constitute acknowledgment and acceptance of such amendment(s), variation(s) and/or modification(s) by the Client(s).
- d. If any changes occur in the laws governing this Agreement or the Services but the policies of the Advisor governing this Agreement or the Services are more stringent, then the said policies shall continue unaltered.

## **22. Indemnification**

In the event that either of the parties is found to be in breach of terms of this Agreement, such party shall at all times hereafter indemnify and keep the other party, its affiliates and their directors, officers, employees, representatives and agents (“Indemnified Party”) fully indemnified against all claims, demands, actions, proceedings, losses, damages, costs, charges, expenses, interests and disbursements of any nature whatsoever which the Indemnified Party may pay or incur or suffer or sustain or be liable to pay or incur or suffer or sustain as a result or consequence, direct or indirect, of such breach.

## **23. Governing Law and Jurisdiction**

This Agreement, the construction and enforcement of its terms and the interpretation of the right and duties of the Parties hereto shall be governed by the laws of land in rules and regulations existing in particular sectors, services, products, as the case may be. In case any clause is not in accordance with any laws or regulations in force, the latter will prevail over the clause forming part of this agreement. In case any clause is not in accordance with any laws or regulations in force, the latter will prevail over the clause forming part of this agreement. This Agreement shall be construed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the competent courts in Mumbai only.

## **24. Disputes**

In the event of disputes, differences, claims and questions between the Parties hereto arising out of this Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto, the Parties shall first endeavour to settle such differences, disputes, claims or questions by arbitration under The Arbitration and Conciliation Act, 1996 and the rules made there under shall apply to and shall govern the arbitration proceedings. The venue of the arbitration shall be exclusively at Mumbai and the arbitration proceeding shall be conducted in English. The decision of the Arbitrators shall be final and binding on the parties.

## **25. Miscellaneous**

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

**IN WITNESS WHEREOF** the Parties hereto have set and subscribed their respective hands hereunto on the day and the year mentioned herein above.

SIGNED SEALED AND DELIVERED by within named Client(s):

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Witness:

SIGNED SEALED AND DELIVERED by SANGUINE WEALTH ADVISORS LLP through its  
constituted attorneys  
Amar Tekwani

.....

Witness

## Schedule I

### Terms of fees and billing:

1. The quantum and manner of payment of fees for investment advice rendered.
2. Fee modalities and periodicity;
3. Illustration(s) on how the fee will be determined;
4. Whether payment to be made in advance;
5. Type of documents evidencing receipt of payment of fee;
6. Periodicity of billing with clear date and service period.

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.

Compliance Officer- Preethi Vengara (Address- B7, Jay Chambers, Dayaldas Road, Vile Parle East Mumbai- 400 057) Mobile no- 9987611048	Email ID-Preethi@sanguinewealth.com
Grievance Officer- Preethi Vengara (Address- B7, Jay Chambers, Dayaldas Road, Vile Parle East Mumbai- 400 057) Mobile no- 9987611048	Email ID-Client(s) services@sanguinewealth.com
<b><i>Disclaimer: - Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.</i></b>	