



Samvitti ActiveInsights - Product Note

Introduction

Samvitti ActiveInsights will provide an actively advised direct equity portfolio for investors looking to compound their money over the long term as per the SEBI IA regulations. The product is suitable for investors who can stay invested in the strategy for at least 3-5 years and are comfortable with the volatility that equity markets go through. It's also important to note that as is always the case with equities, there is a possibility of loss of capital.

The minimum investment amount for the product would be INR 5 lakhs with an allowance for both SIP of a minimum of 5000 per month or a lumpsum top-up. However, to build a meaningful portfolio with a fair absolute allocation to various stocks the minimum recommended amount for this product is 15-25 lakhs.

The universe for this product will be businesses with a market cap greater than 8000 crores (~1 billion dollars) and will typically be the leading companies in various sectors. There may however be instances where a few smaller companies may be added based on opportunities.

The core philosophy behind this product will be to pick stocks using proprietary models which will incorporate the following key aspects:

1. Price
2. Volume
3. Market Environment
4. Sectoral Tailwinds
5. News-flow
6. Earnings

The risk profile of the ActiveInsights portfolio will be moderate to high, with a possibility of loss of capital. No investment in equities can be risk free and the same has to be understood by the investors.

The endeavor of the product will be to beat the returns of broad indices as well as mutual funds over a 3-5 year period or across a cycle.



Account Opening

A fully digital account opening procedure will consist of following steps:

1. You will get a link to an account opening and risk profiling form. You are requested to fill the same.
2. Post evaluation of your risk profile and data, an advisory agreement and a digital stamp paper will be emailed to you for your Aadhar based digital signature on these documents.
3. Post digital signature, a email invoice for the fee amount (1.5% p.a. of the funds) plus one time account opening charges (500/-) will be sent to you. The email will contain Samvitti's UPI id as well as the UPI QR code for the payment. You may make the payment of the fee which will be in advance for two quarters.
4. Once the payment is confirmed, the account will be activated.
5. Activation mail will be sent which will contain the link to download the Tattv app and a short explanation with screenshots on how to execute the recommendations.

Broking Account

The product expects that you have a broking account with Zerodha. In case you don't have one, we can assist you in the account opening.

We use Zerodha as they are the largest and one of the most well-funded brokers. They also are very tech enabled and cost effective vs other traditional brokers. We do not/will not earn any commission, directly or indirectly, from Zerodha for your account.

Execution

The product is an advisory product and hence Samvitti will deliver advice via our app Tattv. The app will enable the investors to act on the recommendations by providing an execution gateway to various brokers.

The investors will have to execute the trades on their own via the said app.

Important Note: Given that we will be building and tracking a portfolio of multiple stocks and not providing individual stock recommendations, the investors are requested to follow all the advice as it is for the product to work efficiently. If the investors take selective recommendations, then the product will not work as designed and will lead to sub-optimal returns.



Fee Structure

The following fee will be charged:

1. Fixed fee of 1.5% of average assets under advice (AUA). The fee will be paid in advance for two quarters.
2. Other details and illustration of the fee structure to be provided in the agreement.
3. All other charges like brokerage, STT and other statutory costs will be borne by investor as usual via their broker.

Reporting

Backoffice portfolio and performance reports will be sent to investors on a quarterly basis. These reports will consider gross costs and not net costs (brokerage and other charges) as the same is only available at the broker level. We can assist you in fetching the net cost reports from the broker's back-office which will be required primarily for capital gains.

Investors will have access to their portfolios with a one-day delay via the mobile app. The portfolio shown in the app will be based on latest available previous close prices as of reporting date.

Support

Support for any queries will be provided via Email, Google Meet/Zoom and Phone, the details of which will be shared post account opening.
