finvestor.in™
for the Financial Investor

For RIA Reading

Finvestor.in

What is Finvestor.in

- *Finvestor.in aims attempt to change the fortune of financial investors in India, by providing them access to investment advice as per their needs and hence resulting in a sustainable and bright future.*
- A website that connects Financial Advisors with Customers seeking Financial Advice.
- Financial Advisors are SEBI Registered Investment Advisors (RIA)
- Customers pay for the services expecting no selling of any specific company product ie. In compliance with SEBI guidelines.
- Customer can rate and rank Advisors based on experience, hence ensuring the best services from Advisors

People Behind Finvestor.in

- Promoted by FourQuadrants Analytics LLP, an LLP firm between
  - Krishna Rath
    - 14+ years in Indian IT Industry working for Fortune 500 companies and entrepreneurship experience.
    - MBA from IIM.
    - Krishna is himself an RIA (Registered Investment Advisor) with SEBI.
  - Rahul Malewar
    - 9+ years in Indian IT Industry spanning Fortune 500 companies and entrepreneurship experience of running a highly successful Training center for Business Intelligence in Pune.
    - Rahul also runs an IT development company in Pune.
- Both Partners are full time entrepreneurs.
- Rahul and Krishna have worked together for 3 years in Principal Financial Group (PFG) solving critical issues of the Fortune 500 company (incidentally on a project involving RIAs in US market!)
- They decided to get together to make a difference in the Indian RIA market.
- Project Finvestor.in is bootstrapped and the current version has been developed over a period of 4 months of intense research and IT effort.

Financial Advisory Market

- SEBI Investment Advisory Act 2013 makes it mandatory for any person to be registered as an RIA with SEBI before providing any investment recommendation.
- The battle between fee based advisory vs "free" commission based advice.
- **Customers are not aware of "fee based advisory services" provided by RIAs. Biggest hurdle to RIA.**
  - A survey done by Finvestor.in to 88 participants, only 4 knew about RIA in India!
- Potential Market (customers) = Salaried + Business
  - 2015 Estimated at 4.8 Crores (48 million) Tax Payers holding PAN card.
    - Source: Zee News (from A question asked in Lok Sabha, http://zeenews.india.com/exclusive/taxpayers-fail-to-keep-pace-with-pan-card-holders_3332.html) 2015 figures estimated at a CAGR growth of 10% from 2011 figures.
  - Total number of customers, assuming ***just*** 5% of population goes in Financial Advisory = 24 Lakh (2.4 million).
  - Our average ticket price is Approx Rs 2100 per transaction
  - Assuming we capture ***just*** 1% of market, then we have Rs 5 Crore Annually (Rs 50 m)
  - Assuming Finvestor takes commission of 20% and withholds 14% Service tax, the RIAs providing service can get market of Rs 3.4 Crore Annually (Rs 34 m)
  - Now if we increase the "***Just***" figures, you see we are easily talking of Rs 10 Crore annually.

Why Finvestor.in - Benefits for Customer & RIAs – *The advantage of Online Aggregation*

Customer	RIA
• Easy access to RIA across India and hence less search costs. • Financial Services Products are well defined. • Money back assurance if service is not delivered within timeframe as defined in terms and conditions • Can rate and rank RIA and hence enables RIAs to perform well. • Access to Financial Planning at competitive rates.	• A web based sales platform. • Free to join – LinkedIn ID and Banking details needed to join. • Pre-Defined Products – Customers need not be explained on expectations. • Lesser money to spend money on marketing and promotion as Finvestor.in builds the RIA brand. • If the RIA performs well, then based on network effect on Internet, chances of repeat and new customers is very high. • Early adaptors of Finvestor.in are expected to benefit with growth of the website • Assured Payment.

Basic Model, Marketplace model in Advisory.

Customer posts query on Finvestor.in

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RIA replies to the query by uploading a report on Finvestor.in

Important: We are only a sales point, the execution will be done by the RIA assigned and hence all the rules/laws/KYC/compliances must be independently executed by the RIA who will work on the cases.

How it works - Customer

1. Customer logins with social media ID

2. Can Search for RIAs

3. Post a Query on a selected Service

4. Make Payment

5. Order is confirmed and RIA is assigned if not selected before.

6. RIA logins via Linkedin and starts working on the case.

7. RIA interacts with Customer on more specifics and starts working on the query

This activity happens outside of Finvestor.in

8. RIA then uploads a final report on query on Finvestor.in

9. Customer can Rate the services.

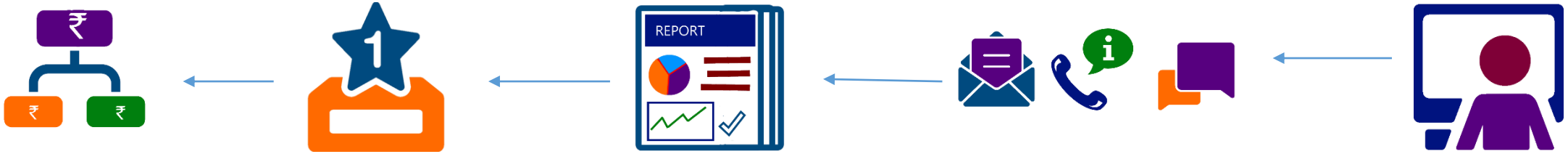
10. RIA gets the payment – (service tax + Finvestor Charges)

How it works - RIA

1. RIA logins with LinkedIn ID

2. RIA is verified by Admin in 24 hours

3. MoU is signed between Finvestor.in and RIA



RIA logins via Linkedin and starts working on the case assigned by customer

RIA interacts with Customer on more specifics and starts working on the query

This activity happens outside of Finvestor.in

. RIA then uploads a final report on query on Finvestor.in

Customer can Rate the services.

RIA gets the payment – (service tax + Finvestor Charges)

Product & Price

- Products (next slides) & Prices are deduced from existing market players.
- All prices on Finvestor.in are **the lowest prices** for each service. RIAs can set prices higher than what is mentioned, for free - if they opt to register before July 10th 2015.
- Products and pricing have been derived from current charges as mentioned by SEBI RIAs on their website and other competitive websites
  - arthayantra.com
  - Advisorkhoj.com
  - jagoinvestor.com
  - And other RIA sites.
- The products and prices may vary a bit from what RIAs are currently offering, RIA through finvestor.in are free to offer more than what is stated in the product offering.

Services & Price that a customer can select

- The following are the products
  - **Query**
    - In this category, the customer can ask a query to the advisor regarding investment, insurance. The query will be restricted to a suggestion in an already existing portfolio or making a quick decision.
    - Examples:
      - I am 28 years old and single and I have 3 insurance policies of 25L each. I am unsure of what I should do, should I surrender all? 2 of them are ULIPs and one is a money back policy. I have dependent parents.
      - I am a business man and married. I have Rs 50,000 to invest. Should I invest in Equity- Mutual funds or Gold ETF?
  - Price : Rs 699 per query
  - Categories
    - Query –Insurance
    - Query -Equity & Mutual Fund Portfolio
    - Query -Fixed Income Portfolio
    - Query -Retirement Portfolio
    - Query -Estate Planning
    - Query -Child Plans
    - Query -Tax Planning

What is Output of Category - Query

- Risk profiling of customer
  - This is needed even for simple queries because as an Advisor, we need to ensure that the suggestion is as per Risk Profile of customer
- KYC details
  - Details as mandated by SEBI
- Goal Identification
  - If any, To seek if the goal matches with the financial query. This goal will typically be restricted to the area of asking the query ie, for mutual funds it will be mutual funds and the RIA is not expected to advice about say fixed income/PPF etc.
- Reports
  - The report will have to be detailed and should let the customer know the why he should take the suggestion and how.
  - Please suggest various options and have the customer choose any of the option instead of any commission based tips.

Services & Price that a customer can select (contd)

- The following are the products
  - Detailed
    - In this category, the customer can ask a one time question related to details of any financial product. Suitable for customers starting any portfolio or seeking to alter financial portfolio for multiple products. Can have limited (2) follow-ups.
    - *Essentially, **Detailed** requires all the subcategories of **Query** be answered. This is provided to give the customer typically a one to two year horizon planning and encourage them to take the comprehensive planning.*
    - Examples:
      - I earn 55,000 per month and plan to go for higher education costing Rs 15L in a year. I have dependent parents. Please suggest a financial plan. Currently I have Rs12L in equity, Rs 1L in FD, and a land worth Rs 20L. I have a car loan of Rs 2L.
  - Price : Rs 3999.
  - Categories
    - Detailed - Financial Plan Creation
    - Detailed – Financial Portfolio Alteration

What is Output of Category – ‘Detailed’

- This is a financial planning report for the customer and hence will ***at the least*** include. This is often the “One –time “ analysis as per many RIA offerings
- Risk profiling of customer
- KYC details
  - Details as mandated by SEBI
- Goal Identification
  - Identify all financial goals of the customer for the next 12 months.
- Financial Income and Expense check
  - Perform basic checks on income and expenses.
- Goal Achievement & Portfolio creation
  - The next 1 year, or the current standard folio based on risk profile and age of customer must be created that should include all the kinds of investment.
  - Provide suggestion as per Risk profile on where the customer can invest for next 12 months
    - Include Insurance coverage
    - Bank FD etc
- Reports
  - The report will include detailed reports of the above points. Template is left to the RIA.

Services & Price that will a customer can select (contd)

- The following are the products
  - Comprehensive
    - In this category, the customer can ask any number of questions related to financial planning for a period of one year for any follow-ups.
    - Examples:
      - I am a 25 year old male working in IT industry earning Rs 35,000 per month. I am unsure of the retirement amount I need. I plan to get married at age of 30, and I may have a few out of India trips. My parents are retired, and I wish to buy a house in NCR region……
  - Price : Rs 12499.
  - Categories
    - Comprehensive - Financial Plan

What is Output of Category – ‘Comprehensive’

- **This is a financial planning report for the customer and hence will *at the least* include. This is the standard comprehensive plan as per RIA offering.**
- Risk profiling of customer
- KYC details
  - Details as mandated by SEBI
- Goal Identification
  - Identify all financial goals of the customer for the next 5 to 10 years
- Goal Prioritization
- Goal Achievement
- Financial Income and Expense check
- Provide suggestion as per Risk profile on where the customer can invest for next 5 to 10 years
  - Include Insurance coverage
  - Bank FD etc
- Customer can contact RIA as on need basis for next 12 months.
- Reports
  - The report will include detailed reports of the above points. Template is left to the RIA.

What does an RIA pay and what does an RIA get?

Services	FREE	Featured ₹ 2000 Annual (WAIVED OFF!)	Premium ₹ 5000 Annual
	Free service for an RIA is simple – when you log into the finvestor.in portal via LinkedIn login, then you are automatically added into the RIA database.	In featured, apart from listing in the Finvestor.in Database, you also can set your own Price higher than what has been set by Finvestor.in, we don't believe in price wars	As the name says, this is the feature that has all that Finvestor.in can offer
Listing on Finvestor.in (LinkedIn URL)	YES	YES	YES
Get Smart URL Finvestor.in/e/username	YES	YES	YES
Be featured on Finvestor.in blog site finvestor.co.in	YES	YES	YES
Have own blogs and articles on LinkedIn/Facebook be shared on Finvestor social media	YES	YES	YES
Be assigned Customer Queries when they have been asked without a specific Advisor	NO	YES	YES
Set own Price	NO	YES	YES
Be Tagged Premium and figure at top of search results	NO	NO	YES
Eligible for reduced Finvestor.in Charges(15%) from day 1	NO	NO	YES

Features Explained

- RIA listed with Finvestor.in in Free can
  - Be Listed on search page of Finvestor.in
    - Listing will include phone and LinkedIn URL!
  - List her/his link on LinkedIn/blog/Social Media as
    - **http://Finvestor.in/e/*username***
    - If a customer clicks this link and signs-up, then the question by default will be assigned to that RIA unless the customer cancels the question and reselects a different Advisor..
    - Easy way to bring in business!
    - This service is provided for all RIAs for **FREE**
  - Have unlimited articles written on Finvestor.co.in, blogsite of finvestor.in for free.
  - All articles written on finvestor social media will be circulated to all our fan base

Paid – Featured and Premium

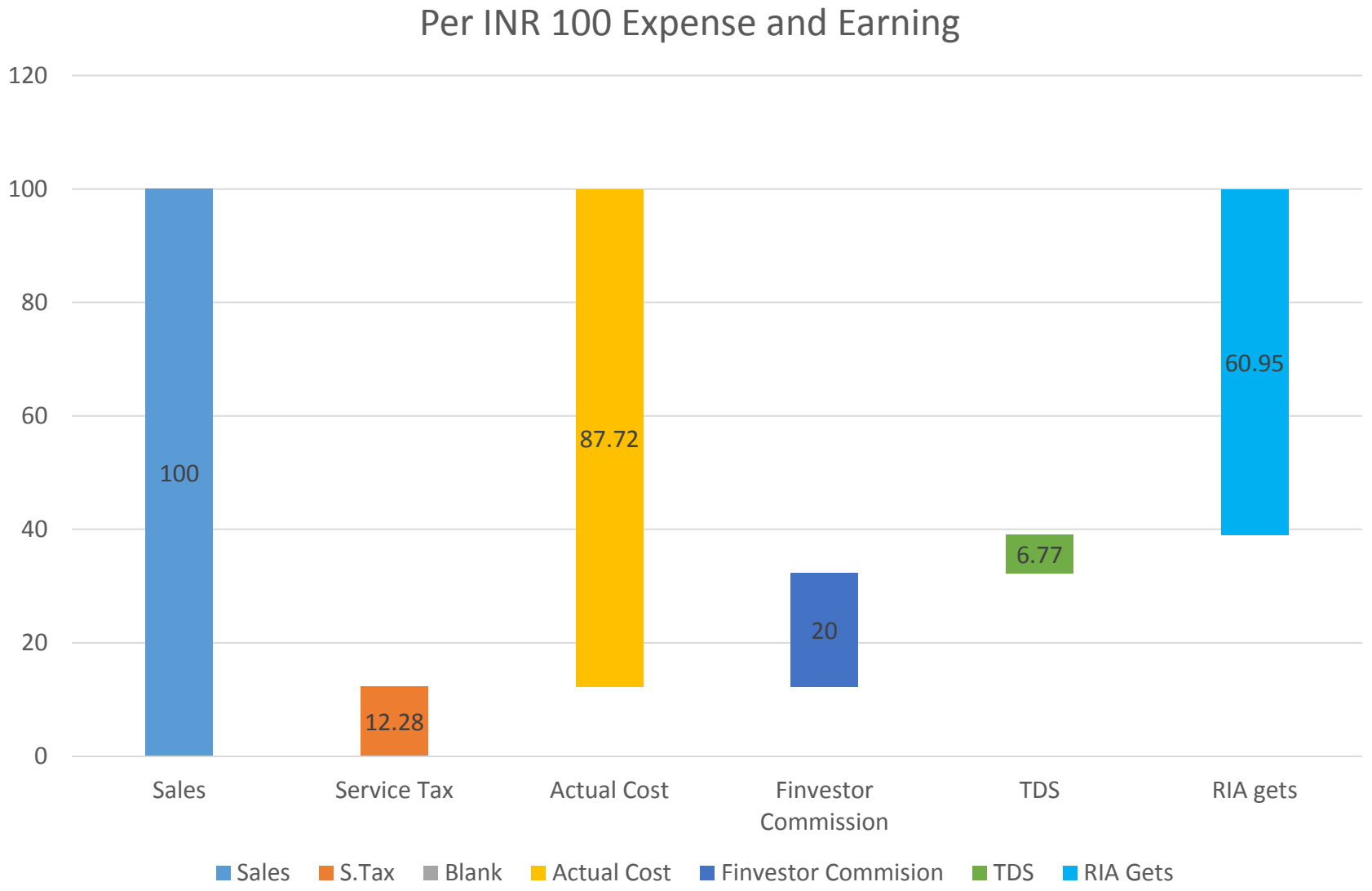
- Featured. (Rs 2000 annual)
  - In Featured, an RIA will be assigned questions that is not targeted to anyone. Ie a customer can simply post a query and finvestor.in will assign the query to an RIA.
  - RIA can also set OWN PRICE! Which means, for example, for Detailed category, instead of Rs 3999, you can set it as Rs 4999. This will be useful for RIAs who perform good business and are considered to be gurus and hence customers can pay more
- Premium (Rs 5000 annual)
  - In addition to "Featured", RIA will feature at the top of the search query for any city and be eligible for reducedfinvestor.in commission charges of 15% from day 1.
  - All queries by customer that were not directed to any specific RIA will be re-assigned on priority to a Premium Partner.
- ***Please Note***: *In case, a customer has asked a query without selecting an RIA, then the default price (lower) is paid to the advisor, even if the price set by advisor is higher. The RIA can opt NOT to have any query assigned to RIA when customer has asked without selecting an RIA.*
- *Once we get customer traction, we are in the process of having a "premium pay" mode where only premium advisors can be assigned for an extra fee charged to customer. For this to happen, customers need to experience a history of good performance and hence this feature is on hold for the time being.*

When does an RIA get paid

- After RIA uploads the Report / Answers the query, RIA will get paid
  - 1 working day after the customer has ranked the Advisor.
    - We would like to inform the RIA to request the customer to rank asap, so that you get your money sooner.
  - In case the customer has not ranked the advisor for 5 working days, then we will process the payment to RIA the following day.
  - So max wait for an RIA is about 6 days.

  - Money transfer will be via State Bank via NEFT

Earning & Expense per INR 100 of Sale



20% commission from each sale transaction is Finvetsor.in earnings.

RIA earns INR 60.95 from INR 100 sale.

If RIA has Service Tax Registration Number then RIA gets from Finvestor.in INR 70.77 from INR 100 Sale.

Frequently Asked Questions

- In a crux, what is expectation from RIA
  - All standards as per Industry standard and uploading of Report on Finvestor.in
- Why do you charge 20% and take 14% service tax
  - 14% service tax will be deducted as per our advice from our CA.
  - 20% charges is for IT hosting and promotion of RIA. We are hosted on Microsoft Azure, which is not a cheap hosting site, but a strong and secure site. We have larger dreams and goals in mind.
  - So essentially, an RIA gets 66% of the transaction deal, which when compared to any marketplace is the standard. There are Training sites which take 80% commission!!
  - We are looking at RIAs performing well and hence taking the 15% commission slot! Which means 70% of a sale transaction goes to the RIA. This is possibly the highest in any industry.
- Why login through LinkedIn?
  - LinkedIn is becoming a standard for professional networking. This is the network where recommendations, network etc can be easily accessed. Login through social media is safe, we at finvestor.in will not have to deal with passwords and your profile, and we leverage already existing resources to best use.

KYC Norms

- Finvestor.in is only a mediatory /intermediate in doing a sales transaction on behalf of the RIA.
- The RIA will need to execute all the KYC Norms. The KYC details could be mentioned in the report that would be uploaded.
- We are working towards having a common KYC check, it will take some time in getting all the processes in place.

Take a tour

- You can take a tour by loging into http://finvestor.in as a customer
- RIA login is at http://finvestor.in/expert/login

- Or by watching our demo video at
- https://www.youtube.com/channel/UCf3O1Z6jUUpW6abojXtoHNw

Future Enhancements

- Dashboard where customer can fill up all details
- A workbench for RIAs
- And feedback from Customers and RIAs will be incorporated.