

Schedule II to the Portfolio Management Services Agreement

PMS Fees Schedule

1. Investment Management Fees	
Choose Fee Option	(A) <input type="checkbox"/> Fixed Fee - 2.5 % p.a.^
	(B) <input type="checkbox"/> Fixed Fee - 1.5 % p.a.^ Performance fees of 15%^ on profits over 10% hurdle rate (high water mark and no catch up)
	(C) <input type="checkbox"/> Fixed Fee- NIL Performance fees of 20%^ on profits, without hurdle (high water mark and no catch up)
Upfront Fees	Nil
Exit Loads	Nil
2. Custodian Fee ⁺ and Fund Accounting Charges ⁺	0.10% p.a.
3. Brokerage other transaction costs ⁺⁺	0.25% of the contract value
[^] Additional GST charge will be applicable ⁺ Custody and fund accounting fees charged (additional GST) by Axis Bank every month on average AUM. ⁺⁺ Includes transaction cost levied by brokers i.e. GST, STT and SEBI transaction charges.	

Terms & Conditions:

1. These charges will be exclusive of GST and other statutory levies. These will be charged separately as per the prevailing rates.
2. The client has the option to choose any fee structure at the beginning of the year. Please tick the appropriate option.
3. Management Fees will be charged on monthly pro-rate basis based calculated on daily average assets under management. On interim contributions/withdrawals during a financial year the Management fee will be charged on pro-rata basis.
4. Performance based fees will be reckoned at the end of each year post capital induction based on year end NAV after all expenses. Apart from the minimum management fees, the Profit sharing / performance related fees are usually charged upon exceeding a hurdle rate or benchmark as specified above.
5. Certain costs are based on the number of transactions undertaken by the Portfolio Manager and hence such costs and charges will vary from time to time depending upon the number of transactions executed by the Portfolio Manager under this Agreement.
6. Withdrawals: All withdrawals from PMS would be with the mutual consent of the client and the portfolio manager. The withdrawals may be in form of shares or in cash at the end of the agreed period as per the terms & conditions of the Portfolio Management Services Agreement.
7. The Portfolio Manager has the discretion to sell securities held in the client's accounts for the recovery of any of the fees charged to the clients account.
8. In case of request for change in fee structure, for new clients the new structure will be effective from 1st day of 13th month of signing the Portfolio Management Services Agreement or on completion of one-year cycle for existing clients.
9. The other terms and conditions of the Portfolio Management Services Agreement entered into with the Portfolio Manager and any supplemental agreement thereto shall continue to remain in full force and effect as applicable.
10. The Portfolio Manager will have the discretion to appoint any broker/s for execution of the transactions of the Portfolio' Management Strategies.

Client to write in own handwriting in the space provided below, along with their signature:

"I/We (---Client's name---) have understood the fees/charge structure".

Fee Annexure (Illustration)

Scenario 1	Return of 25%					
	Option A		Option B		Option C	
	Fixed		Fixed + Variable		Variable	
Capital Contribution	50,00,000		50,00,000		50,00,000	
Less: Upfront Fees (nil)	-		-		-	
Assets Under Management (AUM)	50,00,000		50,00,000		50,00,000	
Less: Brokerage [^] (@ 0.25% per trade)	18,750		18,750		18,750	
Add: Gross Portfolio Returns [^]	12,45,313		12,45,313		12,45,313	
Gross Value of The portfolio at year end		62,45,313		62,45,313		62,45,313
Less: Custody Charges [®] (@ 0.06% of AUM)	3,981		3,981		3,981	
Less: Fund Accounting Charges [#] (0.06% of AUM)	3,981		3,981		3,981	
Less: Fixed Fees ^{&}	1,40,467		84,280		-	
Less: GST on Management Fees	25,284		15,170		-	
Total		1,73,713		1,07,412		7,962
NAV before charging Performance fees		60,71,600		61,37,900		62,37,351
Less: Performance fees [§]		-		95,685		2,47,470
Less: GST on Performance Fees		-		17,223		44,545
Net Value of the Portfolio at year end		60,71,600		60,24,992		59,45,336
% change over capital contributed		21.4%		20.5%		18.9%

Scenario 2	No returns					
	Option A		Option B		Option C	
	Fixed		Fixed + Variable		Variable	
Capital Contribution	50,00,000		50,00,000		50,00,000	
Less: Upfront Fees (nil)	-		-		-	
Assets Under Management (AUM)	50,00,000		50,00,000		50,00,000	
Less: Brokerage [^] (@ 0.25% per trade)	18,750		18,750		18,750	
Add: Gross Portfolio Returns [^]	-18,750		-18,750		-18,750	
Gross Value of The portfolio at year end		49,81,250		49,81,250		49,81,250
Less: Custody Charges [®] (@ 0.06% of AUM)	3,533		3,533		3,533	
Less: Fund Accounting Charges [#] (0.06% of AUM)	3,533		3,533		3,533	
Less: Fixed Fees ^{&}	1,24,677		74,806		-	
Less: GST on Management Fees	22,442		13,465		-	
Total		1,54,186		95,338		7,067
NAV before charging Performance fees		48,27,064		48,85,912		49,74,183
Less: Performance fees [§]		-		-		-
Less: GST on Performance Fees		-		-		-
Net Value of the Portfolio at year end		48,27,064		48,85,912		49,74,183
% change over capital contributed		-3.5%		-2.3%		-0.5%

Scenario 3	Loss of 25%					
	Option A		Option B		Option C	
	Fixed		Fixed + Variable		Variable	
Capital Contribution	50,00,000		50,00,000		50,00,000	
less: Upfront Fees (nil)	-		-		-	
Assets Under Management (AUM)	50,00,000		50,00,000		50,00,000	
Less: Brokerage [^] (@ 0.25% per trade)	18,750		18,750		18,750	
Add: Gross Portfolio Returns [^]	-12,45,313		-12,45,313		-12,45,313	
Gross Value of The portfolio at year end		37,54,688		37,54,688		37,54,688
Less: Custody Charges [@] (@ 0.06% of AUM)	3,099		3,099		3,099	
Less: Fund Accounting Charges [#] (0.06% of AUM)	3,099		3,099		3,099	
Less: Fixed Fees ^{&}	1,09,356		65,614		-	
Less: GST on Management Fees	19,684		11,810		-	
Total		1,35,239		83,622		6,198
NAV before charging Performance fees		36,19,449		36,71,065		37,48,489
Less: Performance fees ^{\$}		-		-		-
Less: GST on Performance Fees		-		-		-
Net Value of the Portfolio at year end		36,19,449		36,71,065		37,48,489
% change over capital contributed		-27.6%		-26.6%		-25.0%

Assumptions

1. Size of sample Portfolio : Rs. 50 lakhs.
2. Period: 01-April to 31-March.
3. [^] Brokerage charges (includes STT and GST) per leg of transaction. We have assumed 50% churn rate. Brokerage is netted- off to arrive at Gross Portfolio Returns
4. [@] Custodial charges of 0.06% on AUM includes GST, account opening, DP charges, custodial AUM charges and transaction charges. Charge levied on monthly basis on daily average AUM.
5. [#] Fund accounting charge of 0.06% p.a includes GST. Charge levied on monthly basis on daily average
6. [&] Fixed fees charged in option A is 2.5% p.a., option B is 1.5% p.a and option C is Nil. Fixed fees is charged monthly on the daily average AUM.
7. ^{\$} Performance fee is charged only in Option B and C. In Option B, the performance fee of 15% is charged on net returns (calculated at the end of the year net of all expenses) over hurdle rate of 10% returns on initial capital contribution. In Option C, the performance fee of 20% is charged on net returns (calculated at the end of the year net of all expenses).