

Date.....  
 ARN NO.....  
 Distributor Name.....  
 Client Name.....

**Schedule II to the Portfolio Management Services Agreement**

PMS Fees Schedule (Investment Strategy: B2C Growth)

<b>1. Investment Management Fees</b>	
Fee Option	(A) <input type="checkbox"/> Fixed Management Fee - 2.5 % p.a.^
	(B) <input type="checkbox"/> Fixed Management Fee - 1.5 % p.a.^ Performance fees of 15%^ on net returns over 10% hard non-cumulative hurdle rate, with no catch up. High water mark applicable.
	(C) <input type="checkbox"/> Fixed Management Fee - NIL Performance fees of 20%^ on net returns, without hurdle rate and no catch up. High water mark applicable.
Upfront Fees	Nil
Entry and Exit Loads	Nil
<b>2. Custodian Fee <sup>+</sup> and Fund Accounting Charges <sup>+</sup></b>	0.12% p.a.
<b>3. Brokerage other transaction costs <sup>++</sup></b>	0.25% of the contract value
^Additional GST charge will be applicable + Custody and fund accounting fees charged (includes 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 inclusive of GST and other statutory levies.
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 monthly on daily average assets under management. On interim contributions/withdrawals during the month, the Management fee will be charged on pro-rata basis.
4. Performance based fees will be reckoned at the end of each year, based on AUM after all expenses. The performance fees are usually charged upon exceeding the high water mark AUM and the hurdle rate AUM if applicable. Hard non-cumulative hurdle rate is used in option B. Hard means performance fees is charged on only the gains that exceed the hurdle rate and not on total gains. Non-cumulative refers to hurdle rate being set annually on opening AUM of the relevant year.
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 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: Brokerage <sup>^</sup>	12,500		12,500		12,500	
Add: Gross portfolio returns <sup>^</sup>	-		-		-	
<b>Gross AUM</b>		<b>49,87,500</b>		<b>49,87,500</b>		<b>49,87,500</b>
Less: Custody charges <sup>@</sup>	2,996		2,996		2,996	
Less: Fund accounting charges <sup>#</sup>	2,996		2,996		2,996	
Less: Fixed management fees <sup>&amp;</sup>	1,24,844		74,906		-	
Less: GST on management fees	22,472		13,483		-	
Total expenses		1,53,308		94,382		5,993
<b>AUM before performance fees</b>		<b>48,34,192</b>		<b>48,93,118</b>		<b>49,81,508</b>
Less: Performance fees <sup>§</sup>		-		-		-
Less: GST on performance fees		-		-		-
<b>Ending AUM</b>		<b>48,34,192</b>		<b>48,93,118</b>		<b>49,81,508</b>
Net return to investor		-3.3%		-2.1%		-0.4%

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 <sup>^</sup> (@ 0.25% per trade)	18,750		18,750		18,750	
Add: Gross Portfolio Returns <sup>^</sup>	-12,45,313		-12,45,313		-12,45,313	
<b>Gross Value of The portfolio at year end</b>		<b>37,54,688</b>		<b>37,54,688</b>		<b>37,54,688</b>
Less: Custody Charges <sup>@</sup> (@ 0.06% of AUM)	3,099		3,099		3,099	
Less: Fund Accounting Charges <sup>#</sup> (0.06% of AUM)	3,099		3,099		3,099	
Less: Fixed Fees <sup>&amp;</sup>	1,09,356		65,614		-	
Less: GST on Management Fees	19,684		11,810		-	
Total		1,35,239		83,622		6,198
<b>NAV before charging Performance fees</b>		<b>36,19,449</b>		<b>36,71,065</b>		<b>37,48,489</b>
Less: Performance fees <sup>§</sup>		-		-		-
Less: GST on Performance Fees		-		-		-

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: Brokerage <sup>^</sup>	12,500		12,500		12,500	
Add: Gross portfolio returns <sup>^</sup>	-12,46,875		-12,46,875		-12,46,875	
<b>Gross AUM</b>		<b>37,40,625</b>		<b>37,40,625</b>		<b>37,40,625</b>
Less: Custody charges <sup>@</sup>	2,622		2,622		2,622	
Less: Fund accounting charges <sup>#</sup>	2,622		2,622		2,622	
Less: Fixed management fees <sup>&amp;</sup>	1,09,258		65,555		-	
Less: GST on management fees	19,666		11,800		-	
Total expenses		1,34,169		82,599		5,244
<b>AUM before performance fees</b>		<b>36,06,456</b>		<b>36,58,026</b>		<b>37,35,381</b>
Less: Performance fees <sup>\$</sup>		-		-		-
Less: GST on performance fees		-		-		-
<b>Ending AUM</b>		<b>36,06,456</b>		<b>36,58,026</b>		<b>37,35,381</b>
Net return to investor		-27.9%		-26.8%		-25.3%

**Assumptions & Terms**

1. Size of sample Portfolio : Rs. 50 lakhs. Assuming no inflow and outflow during the year.
2. Period: 01-April to 31-March.
3. <sup>^</sup> Brokerage charges at 0.06% per leg of transaction (includes STT and GST). Brokerage is netted-off to arrive at Gross Portfolio Returns
4. <sup>@</sup> 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 average daily AUM.
5. <sup>#</sup> Fund accounting charge of 0.06% p.a includes GST. Charge levied on monthly basis on average daily AUM.
6. <sup>&</sup> Fixed management fees charged in option A is 2.5% p.a., option B is 1.5% p.a and option C is Nil. Fixed management fees is charged monthly on the average daily AUM.
7. <sup>\$</sup> Performance fee is charged only in Option B and C. In option B, the performance fee of 15% is charged at the end of the year returns (i.e. net closing AUM after expenses less high water mark of the year) over hurdle rate of 10% on high water mark. In option C, the performance fee of 20% is charged at the end of the year returns (i.e. net closing AUM after expenses less high water mark of the year).
8. In Option B, Hard non-cumulative hurdle rate is used. Hard means performance fees is charged on only the gains that exceed the hurdle rate and not on total gains. Non cumulative refers to hurdle rate being set annually on return over high water mark.
9. For all options - Nil entry / exit loads and Nil upfront fees.