

ARN No.....  
 Distributor Name.....  
 Client Name.....  
 Client UCC Code.....

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

**PMS Fees Schedule**

**Investment Approach: Dynamic Growth (Strategy-Equity)**

<b>1. Investment Management &amp; Performance Fees</b>	
Fee Structure	Fixed Management Fee - 1% p.a.^ Performance fees of 15%^ on net returns over 10% *hard **non-cumulative hurdle rate, with 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>	0.15% of the transaction value
STT	0.10% of the transaction 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 and SEBI transaction charges.	

**Terms & Conditions:**

1. These charges will be inclusive of GST and other statutory levies.
2. 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 a pro-rata basis.
3. 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 NAV or hurdle rate NAV (whichever is higher).  
\*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.
4. 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.
5. Withdrawals: All withdrawals from PMS would be with the mutual consent of the client and the portfolio manager. The withdrawals may be in the form of shares or in cash at the end of the agreed period as per the terms & conditions of the Portfolio Management Services Agreement.
6. 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 client's account.
7. 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.
8. 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 signature:**

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

Signature (1<sup>st</sup> Applicant)

Signature (2<sup>nd</sup> Applicant)

Signature (3<sup>rd</sup> Applicant)

FEES ILLUSTRATION

1. Fee Calculation under different Portfolio Loss/Gain scenarios for 1 Year

Particulars for Fee Calculation		Variables
Capital Contribution (Rs.)	a	50,00,000
Management Fee (%age per annum)	b	1.00%
Other Expenses (%age per annum)	c	0.10%
Performance (%age per annum)	d	15.00%
*Hard **Non-cumulative Hurdle Rate of Return (%age per annum)	e	10.00%
Brokerage@ 0.15% + STT@ 0.10% per leg of transaction	f	0.25%

Sr. No.	Fee Illustration			#Scenario 1		#Scenario 2		#Scenario 3	
				Gain of	20%	Loss of	-20%	No Change	0%
A	Capital Contributed / Assets under Management (AUM)	i	$i = a$	50,00,000		50,00,000		50,00,000	
	Gain / (Loss) on Investment based on the Scenario	ii	$ii = I \text{ #Scenario}$	10,00,000		-10,00,000		-	
	Gross Value of the Portfolio at the end of the year	iii	$iii = I + ii$	60,00,000		40,00,000		50,00,000	
	Daily Weighted Average assets under management	iv	$iv = (i + iii) / 2$	55,00,000		45,00,000		50,00,000	
B	Other Expense (refer point no.7 under notes)	v	$v = iv \times c$	-5,500		-4,500		-5,000	
	Brokerage + STT (refer point no.6 under notes)	vi	$vi = iv \times f$	-13,750		-11,250		-12,500	
	Management Fees (refer point no.2 under notes)	vii	$vii = (iv + v + vi) \times b$	-54,808		-44,843		-49,825	
	Total Expenses before Performance fee	viii	$viii = v + vi + vii$	-74,058		-60,593		-67,325	
C	Gross Value of the Portfolio before Performance fee	ix	$ix = iii + viii$	59,25,943		39,39,408		49,32,675	
	High Water Mark AUM (HWM) (refer point no.4 under notes)	x		50,00,000		50,00,000		50,00,000	
	Hurdle AUM with *Hard **Non-cumulative Hurdle Rate of return on opening AUM (refer point no.5 under notes)	xi	$xi = i + e$	55,00,000		55,00,000		55,00,000	
	Higher of High Water Mark AUM or Hurdle AUM	xii	$xii = \text{Max}(x, xi)$	55,00,000		55,00,000		55,00,000	

	Is Gross Value of the Portfolio before Performance fee greater than higher of High Water Mark Value or Hurdle rate of return (whichever higher)	xiii	xiii = ix > (xii) then Yes else No	Yes	No	No
<b>D</b>	<b>If Yes, proceed to performance fee calculation else 0 (zero) performance fee for the period)</b>					
	Portfolio return subject of Performance Fee	xiv	xiv = ix - x - xi	4,25,943	0	0
	Performance fee (refer point no.3 under notes)	xv	xv = xiii x d	-63,891	0	0
<b>E</b>	Net value of the Portfolio at the end of the year after all fees and expenses	xvi	xvi = ix + xiv	58,62,051	39,39,408	49,32,675
<b>F</b>	% Portfolio Return	xvii	xvii = ((xv - i) / i) %	17.24%	-21.21%	-1.35%
<b>G</b>	High Water Mark to be carried forward for next year	xviii	xviii = Max (x , xv)	58,62,051	50,00,000	50,00,000

**2. Fee Calculation under different Portfolio Loss/Gain scenario during 5 years of Investment**

Particulars for Fee Calculation		Variables
Capital Contribution (Rs.)	a	50,00,000
Management Fee (%age per annum)	b	1.00%
Other Expenses (%age per annum)	c	0.10%
Performance (%age per annum)	d	15.00%
*Hard **Non-cumulative Hurdle Rate of Return (%age per annum)	e	10.00%
Brokerage@ 0.15% + STT@ 0.10% per leg of transaction	f	0.25%

Sr. No.	Fee Illustration			Yr 1		Yr 2		Yr 3		Yr 4		Yr 5	
				Loss of	-26%	Gain of	79%	Gain of	22%	No Change	0%	Gain of	40%
<b>A</b>	Capital Contributed / Opening Assets under Management	i		50,00,000		36,41,123		62,31,531		74,10,722		73,10,418	
	Gain / (Loss) on Investment based on the Scenario	ii		-13,00,000		28,76,487		13,70,937		-		29,24,167	
	Gross Value of the Portfolio at the end of the year	iii		37,00,000		65,17,610		76,02,468		74,10,722		1,02,34,586	
	Daily Weighted Average assets under management	iv		43,50,000		50,79,366		69,17,000		74,10,722		87,72,502	
<b>B</b>	Other Expense (refer point no.7 under notes)	v		-4,350		-5,079		-6,917		-7,411		-8,773	
	Brokerage + STT (refer point no.6 under notes)	vi		-10,875		-12,698		-17,292		-18,527		-21,931	
	Management Fees (refer point no.2 under notes)	vii		-43,652		-50,971		-69,412		-74,367		-88,032	
	Total Expenses before Performance fee	viii		-58,877		-68,749		-93,622		-1,00,304		-1,18,736	
<b>C</b>	Gross Value of the Portfolio before Performance fee	ix		36,41,123		64,48,861		75,08,847		73,10,418		1,01,15,850	
	High Water Mark AUM (HWM) (refer point no.4 under notes)	x		50,00,000		50,00,000		62,31,531		74,10,722		74,10,722	

## ALDER CAPITAL

	Hurdle AUM with *Hard **Non-cumulative Hurdle Rate of return on opening AUM (refer point no.5 under notes)	xi		55,00,000	40,05,235	68,54,685	81,51,795	80,41,460
	Higher of High Water Mark AUM or Hurdle AUM	xii		55,00,000	50,00,000	68,54,685	81,51,795	80,41,460
	Is Gross Value of the Portfolio before Performance fee greater than higher of High Water Mark Value or Hurdle rate of return	xiii		No	Yes	Yes	No	Yes
<b>D</b>	<b>If Yes, proceed to performance fee calculation else 0 (zero) performance fee for the period)</b>							
	Portfolio return subject of Performance Fee	xiii		0	14,48,861	6,54,162	0	20,74,390
	Performance fee (refer point no.3 under notes)	xv		0	-2,17,329	-98,124	0	-3,11,158
<b>E</b>								
	Net value of the Portfolio at the end of the year after all fees and expenses	xvi		36,41,123	62,31,531	74,10,722	73,10,418	98,04,691
<b>F</b>	% Portfolio Return	xvii		-27.18%	71.14%	18.92%	-1.35%	34.12%
<b>G</b>								
	High Water Mark to be carried forward for next year	xviii		50,00,000	62,31,531	74,10,722	74,10,722	98,04,691

## 3. Notes

1	All Fees and charges are subject to GST.
2	Management Fees is charged monthly on daily average assets under management of the respective month. On interim contributions / withdrawals during the month, the management fee will be charged on a pro-rata basis. In this illustration, management fee is calculated on annual basis.
3	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 NAV or hurdle rate NAV (whichever is higher).
4	High Water Mark for the 1st Year is the Capital invested. For year onwards, if performance fee is charged, then High Water Mark for succeeding year will be set to closing value of the portfolio (after all fees, including performance fee for that year), else High-Water Mark remains same of previous year. Thus, High Water Mark changes for each proceeding year when performance fee is charged in current year.
5	Hurdle rate is calculated on current year's opening Assets under Management.
	*Hard means performance fees are 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.
6	Brokerage, (which includes SEBI transaction cost and GST), STT, NSDL depository charges (as part of custody fees), for the illustration purpose is charged on the Average AUM for . However, are charged on basis the actual trades.
7	Other Expenses includes Audit Fee/ Fund Accounting charges / Custody Fee / demat charges or other miscellaneous expense.