

## **PMS FEES SRUCTURE**

Management fees relate to Portfolio Management Services offered by the Portfolio Manager to clients. The fees may be a fixed charge or a percentage of the quantum of funds managed or performance based fee or a combination of any of these, as agreed by the client in the Agreement.

<b>Initial Corpus</b>	<b>Fixed Charges Plan</b>	<b>Variable Charges Plan</b>	<b>Billing Cycle</b>
Fixed Management Fee	2% per annum of Average Daily Net Asset Value	1% per annum of Average Daily Net Asset Value	Quarterly
Performance Incentive	Nil	10% per annum Profit Sharing over 10% Hurdle Rate	Annually

### **FEES PLAN OPTED BY CLIENT**

<b>Fixed Charges Plan</b>	_____ <i>Signature of Client</i>
<b>Variable Charges Plan</b>	_____ <i>Signature of Client</i>

#### **Notes**

1. Brokerage/DP Charges on the Transactions will be additionally charged as per the Contract with Broker/Depository Participant M/s Stewart & Mackertich Management Limited. Please see and read carefully to understand the option of Fees Annexure.
2. High Water Mark principle to be applied to calculate the Fees for Performance Incentive as per Variable Charges Plan.
3. Profit would mean realized gains, unrealized gains and dividend received.
4. For Variable Plan, sum invested is re-calculated at market rates at the beginning of the financial year.
5. Profit booking is at the sole discretion of the fund manager.
6. All Statutory Charges presently applicable and/or would be applicable in future, under various legislation of Central Government, State Government, Regulatory Authorities and/or any Public Authorities, would be charged and collected from the Client.

<b>Signature of Client</b>		<b>Date</b>
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## **PMS FEES STRUCTURE**

Fees Structure is subject to change on a prospective basis with the written consent of the client

### **1. Redemption Guidelines (including exit before one year)**

The billing structure herein above has been assumed that client will keep the corpus with us for a period of one year. The client can however redeem his funds at any moment.

The maximum redemption period will be thirty days after the client has given a formal request for redemption. The guidelines for such redemptions are detailed under.

#### **Fixed Fee Option**

##### **(i) Before One year**

Balance of fixed fee will be charged on the amount redeemed for the period left unpaid (i.e. the remainder of the period till the expiry of one quarter). This fixed fee will be on the daily average NAV of the period remaining after the date for which the last payment has been made.

##### **(ii) After one year**

The fixed fee will be charged only on the actual period of investment (i.e. if corpus is redeemed thirty five days after expiry of one year from initial investment, the fixed fee will be charged for thirty five days only).  
Profit Sharing Option

#### **Profit Sharing Option**

##### **(i) Before One year**

In this case, the fees charged would be the balance of the fixed fee for the remaining period till the expiry of one quarter as well as profit sharing on an annualized basis if the profit is above the specified hurdle rate.

##### **(ii) After one year**

After one year (redemption by client after expiry of one year i.e. during second or subsequent years) Fixed Fee will be charged on the actual period of investment and profit sharing will be charged on an annualized basis if the profit is above the specified hurdle rate.

### **2. Custodian/Depository fees**

The charges relate to opening and operation of depository accounts, custody and transfer charges for shares, bonds, and units, dematerialization and rematerialization, pledge and other charges in connection with the operation and management of the depository accounts. Charges for such services would be as per the actual amount charged by the depository participant.

### **3. Registrar and transfer agent fees**

Charges payable to Registrars and Transfer Agents in connection with effecting transfer of securities and bonds including stamp charges, cost of affidavits, notary charges, postage stamp and courier charges and other related charges would be recovered.

### **4. Brokerage and Transaction Cost**

The Brokerage charges and other charges like service tax, stamp duty, transaction cost including bank charges, turnover tax, security transaction tax, SEBI charge or any other tax levied by statutory authorities, foreign transaction charges (if any) on the purchase and sale of shares, stocks, bonds, debt, deposits, other financial instruments and entry or exit loads (if any) on units of mutual funds. The investment under the Portfolio Management strategies would be usually done through registered members of stock exchange. Brokerage would be as per the actual charges of the stockbroker. All statutory and regulatory charges will be as applicable by respective authorities from time to time.

## **PMS FEES SRUCTURE**

**5. Security Lending and borrowing charges**

The charges pertaining to lending of securities, cost of borrowing including interest, and costs associated with transfers of securities connected with the lending and borrowing transfer operations would be recovered.

**6. Certification and professional charges**

Charges payable for out sourced professional services if any like accounting, audit, taxation and legal services etc. documentation, notarization, certification, attestation required by bankers or regulatory authorities including legal fees etc would be recovered.

**7. Incidental Expenses**

Charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager would be recovered.

<b>Signature of Client</b>		<b>Date</b>
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## **PMS FEES SRUCTURE**

### **Illustration for Annexure on Fees and Charges**

The assumptions for the illustration are as follows:

<b>Particulars</b>	<b>Fixed Charges Plan</b>	<b>Variable Charges Plan</b>
Size of Sample Portfolio	Rs. 100 Lacs	Rs. 100 Lacs
Performance Incentive	1 Year	1 Year
Hurdle Rate	Not Applicable	10% per annum of amount invested
Brokerage/ DP Charges / Transaction Charges	As Per the Contract with Broker	As Per the Contract with Broker
Management fee (charged on annual upfront basis)	2% per annum	1% per annum
Performance fee(charged on annual basis at the end of the year)	Not Applicable	10% of profits over hurdle rate

### **Portfolio performance: Gain of 20%**

<b>Nature of Fees</b>	<b>Fixed Charges Plan</b>	<b>Variable Charges Plan</b>
Capital Contribution	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Less: Upfront Fees (if any)	-	-
Less: Any other fees (please enumerate)	-	-
Assets under Management	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Add: Profits on investment during the year @ 20% on assets under management	Rs. 20,00,000.00	Rs. 20,00,000.00
Gross Value of the portfolio at the end of the year	Rs. 1,20,00,000.00	Rs. 1,20,00,000.00
Less: Brokerage/ DP Charges/ any other similar charges (e.g. 1%)	Rs. 1,00,000.00	Rs. 1,00,000.00
Less: Management Fees (if any)	Rs. 2,40,000.00	Rs. 1,20,000.00
Less: Performance Fees (if any) (e.g. 10% over Hurdle Rate of 10%)	-	Rs. 1,00,000.00
Less: Any other fees (please enumerate)	-	-
Total Charges during the year	Rs. 3,40,000.00	Rs. 3,20,000.00
Net value of the Portfolio at the end of the year	Rs. 1,16,60,000.00	Rs. 1,16,80,000.00
% change over capital contributed	16.6%	16.8%

## **PMS FEES SRUCTURE**

### **Portfolio performance: Loss of 20%**

<b>Nature of Fees</b>	<b>Fixed Charges Plan</b>	<b>Variable Charges Plan</b>
Capital Contribution	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Less: Upfront Fees (if any)	-	-
Less: Any other fees (please enumerate)	-	-
Assets under Management	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Less: Loss on investment during the year @ 20% on assets under management	Rs. 20,00,000.00	Rs. 20,00,000.00
Gross Value of the portfolio at the end of the year	Rs. 80,00,000.00	Rs. 80,00,000.00
Less: Brokerage/ DP Charges/ any other similar charges (e.g. 1%)	Rs. 1,00,000.00	Rs. 1,00,000.00
Less: Management Fees (if any)	Rs. 1,60,000.00	Rs. 80,000.00
Less: Performance Fees (if any) (e.g. 10% over Hurdle Rate of 10%)	-	-
Less: Any other fees (please enumerate)	-	-
Total Charges during the year	Rs. 2,60,000.00	Rs. 1,80,000.00
Net value of the Portfolio at the end of the year	Rs. 77,40,000.00	Rs. 78,20,000.00
% change over capital contributed	(22.6%)	(21.8%)

### **Portfolio performance: No Change**

<b>Nature of Fees</b>	<b>Fixed Charges Plan</b>	<b>Variable Charges Plan</b>
Capital Contribution	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Less: Upfront Fees	-	-
Less: Any other fees (please enumerate)	-	-
Assets under Management	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Add: Profits/Losses on investment during the year @ 0% on assets under management	-	-
Gross Value of the portfolio at the end of the year	Rs. 1,00,00,000.00	Rs. 1,00,00,000.00
Less: Brokerage/ DP Charges/ any other similar charges (e.g. 1%)	Rs. 1,00,000.00	Rs. 1,00,000.00
Less: Management Fees (if any)	Rs. 2,00,000.00	Rs. 1,00,000.00
Less: Performance Fees (if any)	-	-
Less: Any other fees (please enumerate)	-	-
Total Charges during the year	Rs. 3,00,000.00	Rs. 2,00,000.00
Net value of the Portfolio at the end of the year	Rs. 97,00,000.00	Rs. 98,00,000.00
% change over capital contributed	(3%)	(2.0%)