

Annexure -1

Illustration for Annexure on Fees and Charges

The assumptions for the illustration are as follows:

a. Size of sample portfolio:	Rs.50 lacs
b. Period:	1 year
c. Hurdle Rate:	12%
d. Brokerage/ DP charges/ transaction charges: Weighted Avg (% of AUM levied in the past year/	0.60%
e. Management fee for every quarter (applied on Gross value assuming the gain or loss is uniform for every quarter of the year)	0.50%
g. Performance fee applied every year	20%
h. Service tax and Ecess on charges & fees will be applicable.	

Portfolio performance : Gain of 20%

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets under management	5000000
Add: Profits on investment during the year @ 20% on AUM	1000000
Gross Value of the portfolio at the end of the year	6000000
Less: Brokerage/DP /any other charges approx .6% of AUM	36000
Less: Management Fees (.50% every quarter)	120000
Less: Performance fees - working given below	80000
Total charges during the year	236000
Net value of the portfolio at the end of the year	5764000
% change over capital contributed	15.28

Calculation of Performance Fees for above

Serial	Nature of Fees	Amount in Rs.
A	Profit for the year	1000000
B	Less: Minimum profit level (Hurdle Rate)	600000
C	Amount on which Profit Sharing Fees to be calculated (A-B)	400000
D	Performance Fees (@20% of C)	80000

Portfolio performance : Loss of 20%

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets Under management	5000000
Less: Loss on investment during the year @ 20% on AUM	1000000
Gross Value of the portfolio at the end of the year	4000000
Less: Brokerage/DP /any other charges approx .6% of AUM	24000
Less: Management Fees (0.50% every quarter)	80000
Less: Performance fees -	0
Total charges during the year	104000
Net value of the portfolio at the end of the year	3896000
% change over capital contributed	-22.08

Portfolio performance : No Change

Nature of Fees	Amount in Rs.
Capital Contribution	5000000
Assets under management	5000000
Add : Profit/Loss on investment during the year @ 0% on AUM	0
Gross Value of the portfolio at the end of the year	5000000
Less: Brokerage/DP /any other charges approx .6% of AUM	30000
Less: Management Fees (0.50%every quarter)	100000
Less: Performance fees -	0
Total charges during the year	130000
Net value of the portfolio at the end of the year	4870000
% change over capital contributed	-2.6

VER FEB 2020

Client Signature (with seal if required)

Place :

Date :