

ANNEXURE A – FEE SCHEDULE

Investment Approach ☐ DPMS

☐ Qode Growth Fund	Allocation%
☐ Qode All Weather	Allocation.....%
☐ Qode Tactical Fund	Allocation.....%
☐ Qode Future Horizons	Allocation.....%

Fee structures and list of charges

✓ Please Tick in anyone of the Fee Structure of your choice.

☐ Fixed and Performance fees	Fixed fee* at 1.5% Per Annum of the Average Net Asset Value ¹ - charged Quarterly ² Plus Performance Fee** at 15% on all returns in excess of 10.0% per annum Hurdle Rate of Return (No Catch up) subject to a High Water Mark - charged Annually ³
☒ Performance fees	Performance Fee** Charged annually at 10% on returns up to a 20% annual growth rate, and 15% on returns exceeding 20%, subject to a High Water Mark

1. Portfolio Management and Advisory fees:

Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 250 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 6% (six percent) to 12% (twelve percent) per annum is achieved. The Portfolio Manager intends to claim between 10%-40% (ten percent to forty percent) of the upside generated over and above the Hurdle Rate of Return agreed with the Client. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Qode DPMS Agreement.

2. Custodian fee

These charges relate to the opening and maintenance of Depository Accounts and/or custody fee and charges paid to the Custodian and/or Depository Participant, dematerialization of scrips, Securities lending and borrowing and their transfer charges in connection with the operation and management of the Client's portfolio account and is expected to be in the range of 1- 25 BPS per annum.

3. Fund accounting charges: Up to 5 BPS per annum.

4. Registrar and transfer agent fee

This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may inter alia include stamp duty costs, courier, post and notary charge and is expected to be in the range of 10 BPS.

5. Brokerage and transaction cost

Charged at actuals. These are amounts payable to the broker for opening of an account, execution of transactions on the stock exchange or otherwise for the transfer of Securities and may inter alia include service charges, stamp duty costs, GST, STT etc. and is expected to be in the range of 10 BPS

6. Goods and Service Tax or any other statutory levy: As applicable from time to time, charged over and above all fees and charges billed to the Client.

7. Depository Charges: As may be applicable from time to time.

8. Bank Charges: As may be applicable at actuals.

9. Stamp duty: As may be applicable at actuals.

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10. Legal costs and professional fees: Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.
11. 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 in the course of discharging his duties to the Client. Provided that, in the event that any out of pocket expenses to be incurred by the Portfolio Manager on behalf of the Client is to exceed 5% of the investment amount of the Client, the Portfolio Manager shall seek prior written consent of the Client before incurring such an expense.
12. Portfolio Manager shall not charge any fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and related documents for account opening.
13. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

Notes to fees:

*Fixed Fee computed as % Per Annum of the Net Asset Value¹ - charged Quarterly²

** subject to a High Water Mark - charged Annually³ (No Catch-up)

¹Net Asset Value based on average daily NAV over the course of the computation period.

²End of calendar quarter (31-Mar, 30-Jun, 30-Sep, 31-Dec). Pro-rata for the first computation period.

³12-months from the Account Activation Date, Account Activation Anniversary Date or 31st March as the case may be

If client makes partial redemptions out of PMS account, changes fee structure, switches to a different distributor or direct code or closes the PMS account before the billing date for Fixed Fee Billing Period or Performance Fee Billing Period, then applicable fees and charges as per existing fees structure would be billed and recovered for the period between Last billing date/Account Activation Date / Account Activation Anniversary Date (as the case may be) and Date of redemption / change of distributor/ account closure/switch. This billing and recovery of fees and charges would happen at the time of giving effect to such change in Client account.

Definitions used in Fee Schedule:

"**Account Activation Date**" means the date on which a unique Client code is generated by the Portfolio Manager.

"**Account Activation Anniversary Date**" means the (twelve) month anniversary of the Account Activation Date and every 12 (twelve) month anniversary, thereafter.

"**Fixed Fee**" means a fixed fee payable by the Client to the Portfolio Manager for DPMS Services, as further specified in the Fee Schedule.

"**Fixed Fee Billing Period**" means the frequency at which the Fixed Fees will be payable by the Client to the Portfolio Manager as set out in this Fee Schedule.

"**Hurdle Rate of Return**" shall mean a certain agreed level of return (as specified in the Fee Schedule) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period's opening NAV.

"**Net Asset Value**" or "**NAV**" for any given day in respect of any Client account will be calculated by aggregating the following:

- The total market value of all Securities in client's account as on the end of the day,
- Cash/Bank balance in client's account as at the end of the day,
- All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,
- all receivables and payables due from / to the Client at the end of the day;

and reducing from this aggregate all the charges, fees, expenses, statutory levies and other costs payable by the Client as per the Fee Schedule.

"**Performance Fee**" shall mean a performance linked fee payable by the Client to the Portfolio Manager for the DPMS Services, as further specified in the Fee Schedule that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High Water Mark for the relevant Performance Fee Billing Period.

"**Performance Fee Billing Period**" means a 12-months period from the Account Activation Date or Account Activation Anniversary Date, as the case may be.

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Illustration on Calculation of Fees:**Fixed Fee Illustration**

Assumptions		
Capital Contribution (Rs.)	a	1,00,00,000
Management Fee (%age per annum)	b	2.50%
Other Expenses	c	0.50%
Brokerage and Transaction cost	d	0.50%

Fixed Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	-20%	No Change	0%
Capital Contributed / Assets under Management	i	i = a	1,00,00,000		1,00,00,000		1,00,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	20,00,000		-20,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	iii= I + ii	1,20,00,000		80,00,000		1,00,00,000	
Average assets under management	iv	iv= (i + iii) / 2	1,10,00,000.00		90,00,000.00		1,00,00,000.00	
Other Expense	v	v= iv x c	-55,000		-45,000		-50,000	
Brokerage and Transaction cost	vi	vi = (iv x d)	-22,000		-18,000		-20,000	
Management Fees	vii	vii = (iv + v + vi) x b	-2,73,075		-2,23,425		-2,48,250	
Total charges during the year	viii	viii = v + vi + vii	-3,50,075		-2,86,425		-3,18,250	
Net value of the Portfolio at the end of the year	ix	ix = iii + viii	1,16,49,925		77,13,575		96,81,750	
% Portfolio Return	x	x = ((ix - i) / i) %	16.50%		-22.86%		-3.18%	
Notes:								
1	In the illustration, Management fee is assumed to be charged annually. However, the Portfolio Manager can charge fee at any frequency i.e. Daily, Monthly, Quarterly, Semi-annually, Annually or at any other frequency as defined in the PMS agreement and as permitted under SEBI regulations.							
2	Portfolio Manager can charge Management Fee on Average portfolio value for the management fee period or the closing portfolio value or in any other manner as defined in the PMS agreement.							
3	Returns are assumed to be generated linearly through the year.							
4	Other Expenses includes Account Opening charges, stamp duty /Audit Fee/ Bank charges / Fund Accounting charges / Custody Fee / demat charges or other miscellaneous expense							
5	Brokerage and transaction cost for the illustration purpose is charged on the Average AUM. However, Brokerage and Transaction cost are charged on basis the actuals trades.							
6	All Fees and charges are subject to GST.							

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Variable Fee Illustration

Assumptions								
Capital Contribution (Rs.)	a	1,00,00,000						
Management Fee (%age per annum)	b	1.00%						
Other Expenses (%age per annum)	c	0.50%						
Performance (%age per annum)	d	20.00%						
Hurdle Rate of Return (%age per annum)	e	10.00%						
Brokerage and Transaction cost	f	0.20%						
Hybrid Fee Illustration			Scenario 1		Scenario 2		Scenario 3	
			Gain of	20%	Loss of	-20%	No Change	0 %
Capital Contributed / Assets under Management	i	i = a	1,00,00,000		1,00,00,000		1,00,00,000	
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	20,00,000		-20,00,000		-	
Gross Value of the Portfolio at the end of the year	iii	iii= I + ii	1,20,00,000		80,00,000		1,00,00,000	
Daily Weighted Average assets under management	iv	iv= (i + iii) / 2	1,10,00,000.00		90,00,000.00		1,00,00,000.00	
Other Expense	v	v= iv x c	-55,000		-45,000		-50,000	
Brokerage and Transaction cost	vi	vi= iv x f	-22,000		-18,000		-20,000	
Management Fees	vii	vii = (iv + v + vi) x b	-1,09,230		-89,370		-99,300	
Total charges before Performance fee.	viii	viii = v + vi + vii	-1,86,230		-1,52,370		-1,69,300	
Gross Value of the Portfolio before Performance fee	ix	ix = iii + viii	1,18,13,770		78,47,630		98,30,700	
High Water Mark Value (HWM) (Capital contributed for 1st year and second year onwards as defined in the PMS agreement.	x		1,00,00,000		1,00,00,000		1,00,00,000	
Hurdle Rate of return or as defined in the PMS agreement	xi	xi = i x e	10,00,000		10,00,000		10,00,000	
Gross Value of the Portfolio before Performance fee is greater than High Water Mark Value + Hurdle rate of return	xii	xii = ix > (x+xi) then Yes else No P Fees	Yes		No Pfee		No Pfee	
If Yes, proceed to performance fee calculation else 0 (zero) performance fee for the period)								
Portfolio return subject of Performance Fee	xiii	xiii = ix - x - xi	8,13,770		0		0	
Performance fee	xiv	xiv = xiii x d	-1,62,754		0		0	

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Net value of the Portfolio at the end of the year after all fees and expenses	xv	$xv = ix + xiv$	1,16,51,016	78,47,630	98,30,700
% Portfolio Return	xvi	$xvi = ((xv - i) / i) \%$	16.51%	-21.52%	-1.69%
High Water Mark to be carried forward for next year. When performance fee is charged from the portfolio itself.	xvii	$xvii = \text{Max}(x, xv)$	1,18,13,770	1,10,00,000	1,10,00,000
High Water Mark to be carried forward for next year. When performance fee is paid separately by the investor to the PM.	xvii	$xvii = \text{Max}(ix, x)$	1,18,13,770	1,10,00,000	1,10,00,000

Notes:

1	In the illustration, Management fee is assumed to be charged annually. However, the Portfolio Manager can charge fee at any frequency i.e. Daily, Monthly, Quarterly, Semi-annually, Annually or at any other frequency as defined in the PMS agreement and as permitted under SEBI regulations.
2	Portfolio Manager can charge Management Fee on Average portfolio value for the management fee period or the closing portfolio value or in any other manner as defined in the PMS agreement.
3	Returns are assumed to be generated linearly through the year.
4	Other Expenses includes Account Opening charges, stamp duty /Audit Fee/ Bank charges / Fund Accounting charges / Custody Fee / demat charges or other miscellaneous expense
5	Brokerage and transaction cost for the illustration purpose is charged on the Average AUM. However, Brokerage and Transaction cost are charged on basis the actuals trades.
6	All Fees and charges are subject to GST.
7	For this illustration, High Water Mark for the 1st Year is the Capital invested and from second year onwards if performance fee is charged, it's the year end closing value after all charges and fees, else it remains the same.
8	For this illustration, Hurdle rate is calculated on Higher of (HWM or previous year closing capital).
9	Hurdle rate is prorated in case the performance fee period is less than 1 year OR if there are inflow/outflows from the portfolio
10	The above illustration shows the High-Water Mark to be carried forward in different scenario for equal and fair treatment to the investor.

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Multi-Year Illustration including High-Watermark Principal

Assumptions		Values
Capital Contribution (Rs.)	a	50,00,000
Management Fee (%age per annum)	b	1.00%
Other Expenses (%age per annum)	c	0.50%
Performance (%age per annum)	d	20.00%
Hurdle Rate of Return (%age per annum)	e	10.00%
Brokerage and Transaction cost	f	0.50%

Fees			Year 1	Year 2	Year 3	Year 4	Year 5
			Gain / (Loss) -10%	Gain / (Loss) 35%	Gain / (Loss) 25%	Gain / (Loss) -10%	Gain / (Loss) 50%
Capital Contributed /Assets under Management	i	i = a	50,00,000	43,81,963	57,87,702	70,10,151	61,43,644
Gain / (Loss) on Investment based on the Scenario	ii	ii= i*Scenario	-5,00,000	15,33,687	14,46,925.39	-7,01,015.08	30,71,821.80
Gross Value of the Portfolio at the end of the year	iii	iii= I + ii	45,00,000	59,15,649	72,34,627	63,09,136	92,15,465
Daily Weighted Average assets under management	iv	iv= (i + iii) / 2	47,50,000	51,48,806	65,11,164	66,59,643	76,79,555
Other Expense	v	v= iv x c	-23,750	-25,744	-32,556	-33,298	-38,398
Brokerage and Transaction cost	vi	vi= iv x f	-23,750	-25,744	-32,556	-33,298	-38,398
Management Fees	vii	vii = (iv + v + vi) x b	-70,538	-76,460	-96,691	-98,896	-1,14,041
Total charges during the year (Sum of v, vi and vii)	viii	viii = v + vi + vii	-1,18,038	-1,27,948	-1,61,802	-1,65,492	-1,90,837
Value of the Portfolio before Performance fee	ix	ix = iii + viii	43,81,963	57,87,702	70,72,825	61,43,644	90,24,628
High Water Mark Value (HWM)(Capital contributed for 1st year and second year onwards as the value derived for previous year)	x		50,00,000	55,00,000	60,50,000	70,72,825	77,80,107
Hurdle Rate of return	xi	xi = i x e	5,00,000	5,50,000	6,05,000	7,07,282	7,78,011
Portfolio value in excess of Hurdle Rate Return	xii	xii = ix - x - xi	0	0	4,17,825	0	4,66,511
Profit share of the PMS	xiii	xiii = xiii x d	0.00	0.00	-62,673.68	0.00	-69,976.63
Profit Share To be taken by PMS	xiv	xiv = xiii x d	0.00	0.00	-62,673.68	0.00	-69,976.63
Is the Performance Fee charged?	xv	xv = ix > (x+xi) then Yes else No P Fees	No	No	Yes	No	Yes
Net value of the Portfolio at the end of the year after all fees and expenses	xvi	xvi = ix + xiv	43,81,963	57,87,702	70,10,151	61,43,644	89,54,652
% Portfolio Return	xvii	xvii = ((xv - i) / i) %	-12.36%	32.08%	21.12%	-12.36%	45.75%
High Water Mark to be carried forward for next year	xix	xvii = Max (x , xvi)	55,00,000	60,50,000	70,72,825	77,80,107	90,24,628

Notes:							
1	This is only a generic format for illustration, each portfolio manager can add numbers and method's of calculation as per the terms and conditions of the PMS agreement and as permitted under SEBI regulations.						

Notes:			
1	In the illustration, Management fee is assumed to be charged annually. However, the Portfolio Manager can charge fee at any frequency i.e. Daily, Monthly, Quarterly, Semi-annually, Annually or at any other frequency as defined in the PMS agreement and as permitted under SEBI regulations.		
2	Portfolio Manager can charge Management Fee on Average portfolio value for the management fee period or the closing portfolio value or in any other manner as defined in the PMS agreement.		
3	Returns are assumed to be generated linearly through the year.		
4	Other Expenses includes Account Opening charges, stamp duty /Audit Fee/ Bank charges / Fund Accounting charges / Custody Fee / demat charges or other miscellaneous expense		
5	Brokerage and transaction cost for the illustration purpose is charged on the Average AUM. However, Brokerage and Transaction cost are charged on basis the actuals trades.		
6	All Fees and charges are subject to GST.		
7	For this illustration, High Water Mark for the 1st Year is the Capital invested and from second year onwards if performance fee is charged, it's the year end closing value after all charges and fees, else it remains the same.		
 First/Sole Holder / ASL		 Second Holder / ASL	 Third Holder / ASL

8	For this illustration, Hurdle rate is calculated on Higher of (HWM or previous year closing capital).
9	Hurdle rate is prorated in case the performance fee period is less than 1 year OR if there are inflow/outflows from the portfolio
10	The above illustration shows the High-Water Mark to be carried forward in different scenario for equal and fair treatment to the investor.
11	Return percentages for all the years are assumed as wide-ranging numbers to show the impact of High-watermark principal on portfolio under various conditions.

Declaration of Acceptance

I agree, accept and confirm the terms and conditions of this Portfolio Management Services Agreement entered into by me.

Confirmation of fees in client’s own handwriting

"I/ We have read and understood the above Annexure “A” - Fees Terms. I/We am/are in agreement with the same".

By and under the hand of the Client (Name of the Client):_____

 First/Sole Holder / ASL	 Second Holder / ASL	 Third Holder / ASL
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Conditions of Payment:

1. The Portfolio Manager shall, within 30 days from the end of the month of applicable fee payment period, raise an invoice mentioning the amount of Fixed Management Fee including applicable taxes. In case of performance fee, the Portfolio Manager shall, within 30 days from end of the applicable fee payment period, raise an invoice mentioning the amount of Performance Linked Management Fee including applicable taxes, if any.
2. The fees and all the other charges for availing the Services under this Agreement shall be debited to the Client's account which shall be in addition to the management fees as envisaged above. The said fees as debited to the Client’s accounts are not reversible /refundable
3. On receipt of invoice, the client is required to check and bring forth the discrepancy in the invoices, if any, within 10 days of receipt thereof, failing which the liability under the invoices shall be deemed to have accepted by the client unless it is proved to the satisfaction of the Portfolio manager that the error was apparent on the face of the invoice itself. However, the Portfolio Manager, upon request by the client, may recheck the invoices to ascertain its correctness, at any point of time.