

**Illustration of Fees and Expenses\***

|   | <b>Amount in Indian Rupees</b>   |      | <b>Gain of 20%</b> | <b>Loss of 20%</b> | <b>No Change</b> |
|---|--|------|--------------------|--------------------|------------------|
| A | Capital Contribution   |      | 5,000,000          | 5,000,000          | 5,000,000        |
| B | Amount available for investment  |      | 5,000,000          | 5,000,000          | 5,000,000        |
| C | Profits/ loss during the year  |      | 1,000,000          | (1,000,000)        | -                |
| D | Gross value of Portfolio as on 31 <sup>st</sup> December   |      | 6,000,000          | 4,000,000          | 5,000,000        |
| E | Less: Other expenses (brokerage, custody and fund accounting etc.)<br>calculated on average of B and D for this illustration | 0.5% | 27,500             | 22,500             | 25,000           |
| F | Portfolio value post expenses  |      | 5,972,500          | 3,977,500          | 4,975,000        |
| G | Less: Management Fee<br>calculated on average of B and F for this illustration   | 2%   | 109,725            | 89,775             | 99,750           |
| H | Portfolio value post Management Fee and other expenses   |      | 5,917,500          | 3,932,500          | 4,925,000        |
| I | Hurdle rate of 15% p.a. (Example)  | 15%  | 750,000            | -                  | -                |
| J | Balance post Hurdle rate   |      | 5,167,500          | 3,932,500          | 4,925,000        |
| K | Pre-Performance Fee returns %  |      | 3.35%              | -21.35%            | -1.50%           |
| L | Performance Fee %  | 30%  | 1%                 | 0%                 | 0%               |
| O | Performance Fee (L x A)  |      | 50,250             | -                  | -                |
| P | Portfolio Value post Performance Fee (H - O)   |      | 5,867,250          | 3,932,500          | 4,925,000        |
| Q | High watermark at the end of the first year (higher of H and B)  |      | 5,867,250          | 5,000,000          | 5,000,000        |
| P | Total charges in the year (E + G + O)  |      | 187,475            | 112,275            | 124,750          |
| Q | <b>Net returns</b>   |      | <b>17.35%</b>      | <b>-21.35%</b>     | <b>-1.50%</b>    |

**Notes:**

In the above illustration, Management Fees and other expenses have been calculated on the average of the capital contribution and the gross value of the portfolio as on 31<sup>st</sup> December. The other expenses above are based on indicative rates for brokerage, STT, custody charges, transaction charges and other statutory charges.

All fees and charges in the above illustration do not include applicable taxes (including GST) and levies. All applicable taxes (including GST) and levies (together with surcharge and additional surcharge, as may be applicable) shall be charged to the Client Portfolio and may be subject to change to the extent that the applicable statutory rates change.

In the first year, the high watermark will be higher of (i) the Capital Contribution or (ii) the Portfolio value post Performance Fee. In the subsequent years, the high watermark will be the higher of (i) high watermark at the end of the previous year or (ii) the Portfolio value post Performance Fee at the end of the year. High watermarking will be appropriately adjusted for capital inflows and outflows.

In the first year, the Performance Fee will be charged on the difference (only if it is a positive number) between (i) the Portfolio value post Management Fee and other expenses and (ii) the Capital Contribution. In the subsequent years, the Performance Fee will be charged on the difference (only if it is a positive number) between (i) the Portfolio value post Management Fee and other expenses at the end of the year and (ii) the high watermark at the end of the previous year.

Please note that the table above is only for illustrative purposes.