

ADDENDUM TO THE PORTFOLIO MANAGEMENT AGREEMENT

This Addendum to the Portfolio Management Agreement is entered into on DD/MM/YYYY

BETWEEN

WAY2WEALTH BROKERS PRIVATE LIMITED, a Company within the meaning of the Companies Act, 1956 and having its registered office at 'Frontline Grandeur', NO: 14, Walton Road, Bangalore: 560 001 of the FIRST PART

AND

* Mr/Mrs/ Ms _____ son / daughter / wife of Mr.
_____, aged _____ years, presently residing at

of the OTHER PART

1. Whereas W2W has been approved by SEBI to act as Portfolio Manager in accordance with the Rules and Regulations, and accordingly, W2W is registered as a portfolio manager with SEBI under registration number INP000000829.
2. And Whereas the Client has entered into a Portfolio Management Agreement with W2W, requesting W2W to create and/or manage his portfolio, with a view to advance his investment objectives, to which request W2W has acceded to on the terms and conditions agreed in the Portfolio Management Agreement
3. And Whereas the SEBI vide SEBI vide its circular no. CIR/IMD/DF/13/2010 dated October 5, 2010 has advised to Portfolio Managers to take certain measure regarding Fees and Charges.
4. And Whereas, pursuant to the said Circular of SEBI, some of the provisions of Portfolio Management Agreement relating to the Fees and Charges have to be clarified and modified
5. And Whereas the parties are desirous of recording their understandings in writing, which they hereby do under these presents

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. These clauses enumerated below form a part and parcel of the bipartite agreement between Portfolio Manager and client on which the stamp duty has already been paid. In addition to the terms and conditions of the Portfolio Management Agreement

entered into by the Client, the Client and the Member also agree to the clauses stated herein below.

2. The performance linked fee can only be charged after the portfolio manager has made positive performance on than the capital introduced by the client. Profit / performance shall be computed on the basis of high water mark principle over the life of the investment, for charge of performance / profit sharing fee.
3. High Water Mark shall be the highest value that the portfolio / account has reached. Value of portfolio for computation of high watermark shall be taken to the value on the date when performance fees are charged. For the purpose of charging performance fee, the frequency shall be quarterly. Performance based fee will be charged only on increase in the portfolio value in excess of the previously achieved high water mark.
4. All Fees and charges are levied on the actual amount of clients' assets under management.
5. In case of interim contributions / withdrawals by clients, performance fees may be charged after appropriately adjusting the high water mark on proportionate basis.
6. It is reiterated that as per clause XXIII of the agreement, in case of discretionary portfolio management, the liability of the client shall not exceed his investment with the Portfolio Manager.
7. To ensure transparency and adequate disclosure regarding fees and charges, a list and example of fee calculation for Fixed and Variable Management Fees Option for a Portfolio Size of Rs. 10 lacs is provided in Annex 1.
8. This Addendum shall along with all the schedules or annexure/s, together with the agreement dated _____ constitutes the final, complete and exclusive statement of the agreement pertaining to the subject matter. The Client hereto acknowledge that this addendum supersede all prior communications between the Portfolio manager including all oral or written proposals. Notwithstanding anything to the contrary contained in the Agreement, the Portfolio Manager shall be entitled to do all acts, deeds and things in accordance with such amended statutory provisions, and accordingly, the Agreement thereafter shall automatically stand amended to the extent of such changes / amendments for its balance duration after the Portfolio Manager has sent a written communications of such statutory amendments and variation in the Agreement, and duly confirmed by the Client. Any variation, addition and modifications of this Agreement between the parties shall be valid only if in writing signed by the persons authorized and shall be in conformity of Clause XIII of the Portfolio Management Agreement initially agreed into.

IN WITNESS WHEREOF the parties hereto have caused these Presents to be executed as of the day and year first hereinabove written.

Signed and Delivered by the within
named Way2Wealth Brokers Pvt. Ltd by the
hands of its Authorised Signatory.

Signed and Delivered by the
within named Client.

Name :
Designation :

Name :
Designation :

Signature

Signature

Witness:

Witness:

Name
Address

Name
Address

Signature

Signature

Annex 1

Portfolio performance: Gain of 20%

Nature of Fees	Amount in Rs.	Amount in Rs.
Capital Contribution 10,00,000	10,00,000	
Less: Upfront fees (If any)	Nil	
Less: Any other fees (please enumerate)	600	
Assets under management (AUM)	9,99,400	
Add: Profits on investment during the year @ 20% on AUM	1,99,880	
Gross Value of the portfolio at the end of the year		11,99,280
Less: Brokerage/DP charges/any other similar charges (e.g. 2% of AUM)	19,988	
Less: Fixed Management Fees (if any) (e.g. 1.5 % of AUM)	14,991	
Less: Performance fees (if any)(e.g. 20% of Rs.199880 – working given below)	23,866	
Less: Any other fees (please enumerate)	Nil	
Total charges during the year		58,845
Net value of the portfolio at the end of the year		11,40,435
% change over capital contributed		14.04%

Calculation of Performance Fees for above

Serial Nature of Fee	Amount in Rs.
A. Profit for the year	1,99,280
B. Less: Minimum profit level (Hurdle Rate @ 8% on AUM)	79,952
C. Amount on which Profit Sharing Fees to be calculated (A-B)	1,19,328
D. Performance Fees (@20% of C)	23,866

Portfolio performance: Loss of 20%

Nature of Fees	Amount in Rs.	Amount in Rs.
Capital Contribution 10,00,000	10,00,000	
Less: Upfront fees (If any)	Nil	
Less: Any other fees (please enumerate)	600	
Assets under management	9,99,400	
Add: Loss on investment during the year @ 20% on AUM	1,99,880	
Gross Value of the portfolio at the end of the year		7,99,520
Less: Brokerage/DP charges/any other similar charges (e.g. 2% of AUM)	19,988	
Less: Fixed Management Fees (if any) (e.g. 1.5 % of AUM)	14,991	
Less: Performance fees (if any)	Nil	
Less: Any other fees (please enumerate)	Nil	
Total charges during the year		34,979
Net value of the portfolio at the end of the year		7,64,541
% change over capital contributed		-23.55%

Charges on Portfolio performance: No change

Nature of Fees	Amount in Rs.	Amount in Rs.
Capital Contribution 10,00,000	10,00,000	
Less: Upfront fees (If any)	Nil	
Less: Any other fees (please enumerate)	600	
Assets under management	9,99,400	
Add: Profits/Losses on investment during the year @ 0% on AUM	-	
Gross Value of the portfolio at the end of the year		9,99,400
Less: Brokerage/DP charges/any other similar charges (e.g. 2% of AUM)	19,988	
Less: Management Fees (if any) (e.g. 1.5% of AUM)	14,991	
Less: Performance fees (if any)	Nil	
Less: Any other fees (please enumerate)	Nil	
Total charges during the year		34,979
Net value of the portfolio at the end of the year		9,64,421
% change over capital contributed		-3.56%

<< Please write in your own handwriting: "I have understood the charge structure"