

Disclosure Document
Of
Portfolio Management Services

Being Offered by
PSSG Capital Management Pvt. Ltd.

- The Disclosure Document has been filed with the Securities and Exchange Board of India, along with the certificate in the prescribed format in terms of Regulation 14 of the SEBI (Portfolio Managers) Regulations, 1993 as amended from time to time.
- This Disclosure Document provides essential information about the portfolio management services on offer in order to assist and enable investors to make informed decisions when engaging a Portfolio Manager.
- The Disclosure Document contains important information about the Portfolio Manager, which should be reviewed by an investor before investing, and the investor is advised to retain the document for future reference. Additional copies are available on request.
- All the intermediaries involved with the portfolios are registered with SEBI as on the date of the Document. PSSG Capital Management Pvt. Ltd. was granted SEBI Registration No. INP000002247.

PRINCIPAL OFFICER:
Mr. Peter K. Schneeberger – Director
Tel no. 91-891-2705440
Email: po@pssgcapital.com

Registered Office: 6, Prince Apts, 7-8-19, Harbour Park Road, Pandurangapuram,
Visakhapatnam 530 003
Head Office: G3, Shree Complex, 48-8-15, Dwarkanagar, Visakhapatnam 530 016

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DISCLAIMER CLAUSE:

The Disclosure Document has been prepared in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and filed with SEBI. This Document has neither been approved nor disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of the contents of the Document.

FORM C
SECURITIES AND EXCHANGE BOARD OF INDIA
(PORTFOLIO MANAGERS) REGULATIONS, 1993
(Regulation 14)

PSSG CAPITAL MANAGEMENT PVT. LTD.
Registered office: 6, Prince Apts, 7-8-19, Harbour Park Road, Pandurangapuram,
Visakhapatnam 530 003
Tel: 91-891-2521204, Fax: 91-891-2526668

We confirm that:

- i) The Disclosure Document forwarded to the Board is in accordance with the SEBI (Portfolio Managers) Regulations, 1993 and the guidelines and directives issued by the Board from time to time;
- ii) The disclosures made in the document are true, fair and adequate to enable the investors to make a well informed decision regarding entrusting the management of the portfolio to us / investment in the Portfolio Management Scheme;
- iii) The Disclosure Document has been duly certified by an independent Chartered accountant, Mr. Gorti Subba Rao, Proprietor M/s. Gorti Associates, Chartered Accountants, # 50-28-10, T.P.T. Colony, Seethammadhara, Visakhapatnam – 530013 with Registration No. 0027540 on March 31, 2016. A copy of which is named as Annexure A.

/sd/ Peter K. Schneeberger

Date : March 31, 2016
Place: Visakhapatnam

Name: Peter K. Schneeberger
Designation: Director
Address: PSSG Capital Management Pvt. Ltd.
G-3, Shree Complex, 48-8-15
Dwarakanagar
Visakhapatnam – 530 016

Definitions

Unless the context or meaning otherwise requires, in this agreement (including in the recitals hereinabove and the annexure and schedules, if any, hereto) the following expressions shall have the meanings assigned to them respectively hereafter, viz:-

- (a) **"Act"** means the Securities and Exchange Board of India, Act 1992 (15 of 1992); and subsequent amendments, if any;
- (b) **"Agreement"** means the Portfolio Management agreement and includes any recitals, schedules, annexures or exhibits to the Agreement and any amendments made to the Agreement by the Parties in writing;
- (c) **"Body corporate"** shall have the meaning assigned to it in or under clause (7) of section 2 of the Companies Act, 1956 (1 of 1956);
- (d) **"Certificate"** means a certificate of registration issued by the Securities and Exchange Board of India;
- (e) **"Discretionary Portfolio Manager"** means a Portfolio Manager who exercises or may, under a contract relating to portfolio management, exercise any degree of discretion as to the investments or management of the portfolio of securities or the funds of the client, as the case may be;
- (f) **"High Watermark"** means the highest recorded value of a portfolio on a particular date, usually March 31.
- (g) **"Intermediaries"** means custodians, banker to an issue, trustee, registrar to an issue, merchant banker, depositories, depository participants, transfer and pricing agents, accountants, investment advisors, consultants, attorneys, underwriters, brokers and dealers, insurers and any other persons in any capacity who may be associated with the securities market.
- (h) **"NAV" or "Net Asset Value" or "Net Asset Value of the Portfolio"** means the market value of the assets in a portfolio consisting of (a) the amount of Cash in the Bank Account or in transit or escrow towards payment for securities; and (b) the market value of Client Securities computed in accordance with the methodology as set out in the agreement less (c) amounts payable by the Client to the Portfolio Manager and all such fees, costs, charges payable by the Client which include but are not restricted to Custodian Fees, Bank Charges, Brokerage,

Stamp Charges, Legal Fees, Taxes and out of pocket expenses incurred in respect of Client's Portfolio.

- (i) **"Portfolio"** means the investments kept by the client with the Portfolio Manager under this agreement.
- (j) **"Portfolio Return"** means the net change in the total portfolio valuation, when comparing the existing High Watermark with the end of year value of the portfolio.
- (k) **"Portfolio Manager"** means any person who, pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary Portfolio Manager or otherwise) the management or administration of a portfolio of securities or the funds of the client, as the case may be;
- (l) **"Regulations"** means the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.
- (m) **"Securities"** include shares, stocks, bonds, debentures, or other marketable securities of a like nature in or of any incorporated company or other body corporate, derivatives, units of Mutual Funds, government securities, and such other instruments as may be declared by the Central Government to be 'Securities' provided that securities shall not include any securities which the Portfolio Manager is prohibited from investing in under the Regulations or any other law for the time being in force.
- (n) **"Services"** means the services to be provided by the Portfolio Manager.
- (o) **"Term"** shall mean the period of validity of this agreement.

Such of those expressions as are used and not defined here, but defined in the SEBI Act, 1992 or Portfolio Managers Regulations and Rules shall carry the same meaning herein as are assigned to them therein respectively.

DESCRIPTION OF PORTFOLIO MANAGER

(i) History and Background

Peter Schneeberger and Sarma Garimella conceived of the idea to start an investment management service, after helping individuals invest and create wealth since 2000. Together with the other initial Directors, C.N Pantulu and V.S. Sastry, they promoted PSSG Capital Management in 2007. After 6 years of valuable service to the company, C.N. Pantulu retired from the Board in

2013. G.N. Sarma's untimely demise in 2015 was a terribly sad event for the Company and the Board. We are grateful to him for his involvement, efforts, and leadership in establishing PSSG and are thankful to have known a person of such honesty and kindness.

In 2016, Mahendra Tated, a businessman based in Vizag with operations across the country, joined the Board. The present Board has over 75 years of experience with finance, accounts, and investments and numerous certifications in related fields.

The Company registered with the Securities and Exchange Board of India (INP000002247) in 2007 for Portfolio Management Services. The Portfolio Manager has been managing the present offerings continuously since its inception.

PSSG Capital follows value driven investment strategies. It believes in identifying companies which are undervalued based on fundamental factors to attain an adequate margin of safety. Then, it selects those companies where a catalyst exists that will lead to a change in the market perception of the company and/or its business. PSSG Capital favors long-term investments in businesses with sustainable, profitable franchises.

(ii) About the Promoters and Directors

The Promoters of the Company are:

1. Mr. Peter K. Schneeberger
2. Mr. V.S. Sastry

The Directors of the Company are:

1. Mr. Peter K. Schneeberger
2. Mr. V.S. Sastry
3. Mr. Mahendra Tated

Mr. Peter K. Schneeberger and Mr. V.S. Sastry promoted M/s. PSSG Capital Management Pvt. Ltd. in 2007, along with the other Founder-Directors, Mr. G.N. Sarma and Mr. C.N. Pantulu.

Mr. Peter K Schneeberger is the Director and CEO of Samudra Software Pvt. Ltd. and the past President of the Vizag Information Technology Association. Samudra Software specializes in financial and educational software development for US and Indian Clients. This growing company has paid dividends continuously for the last eleven years. He is a co-founder and Director of Surya Shakti India Financial Pvt. Ltd., which was incorporated during 1999 under The Companies Act, 1956, and is a Member of the National Stock Exchange of India Ltd., and is registered with the Securities and Exchange Board of India vide SEBI Regn.INB231145732.

Mr. Schneeberger has a Master's Degree in Sociology from the University of Chicago, USA. In 1997, he completed the Series 6, "Investment Company Products/Variable Contracts Representative" Examination and the Series 63,

“Uniform Securities Agent State Law” Examination conducted by the Central Registration Depository of the NASD, New York. He also worked as a Financial Analyst in Australia. After founding M/s. Surya Shakti Securities Pvt. Ltd. in 1999, he passed the NSE’s Certification in Financial Markets modules for Capital Markets, Dealers, Derivatives, Commodities, and Mutual Funds, as well as the NISM’s examination for Compliance.

Mr. V S Sastry is a FCA and is All India Gold Medalist in his CA Exams. As a member of the Indian Railway Accounts Service (IRAS), he held various positions including Principal Financial Adviser and Chief Accounts Officer (FA & CAO) and Additional General Manager during the period 1958-1993. He was General Manager (Finance & Business Development) at National Industrial Development Corporation, a Public Sector Undertaking of Government of India, from 1982-84. He has been a member of the Consultant Team of Chartered Accountants for Financial Restructuring of Indian Railways in 1994-95; a member of the High Power Committee for Alternative Uses of Infrastructural Facilities Rendered Surplus Due To Large-scale Gauge Conversion in Indian Railways in 1996-97; a member of the Committee for Reviewing and Redrafting the Commercial Manual of Indian Railways in 1998-99; and a member of the Board of Directors of the Andhra Pradesh State Road Transport Corporation on two occasions – 1972-76 & 1988-91.

Mr. Mahendra Tated, a native of Vijayawada, Andhra Pradesh, holds an MBA and has been in business for 22 years. He is a supplier and contractor to the Indian Navy at numerous locations across the country. He previously worked at IBM in Canada and in Trivandrum at the Electronics Research and Development Corporation, a part of the Centre for the Development of Advanced Computing. He is actively involved in many charitable organizations and has provided crucial support to the Indian national roller skating team for their trips abroad.

Group Companies

PSSG Capital Management Pvt. Ltd. has no subsidiaries. It is associated with Surya Shakti India Financial Private Limited and Samudra Software Private Limited, two companies which hold shares of PSSG Capital and also share a Director. One of PSSG’s Directors, Mr. Schneeberger, is a shareholder of and Director in the management of Surya Shakti India Financial Pvt. Ltd. and Samudra Software Private Ltd. PSSG Capital Management uses the broking services of Surya Shakti India Financial Pvt. Ltd. while handling the discretionary accounts of clients. Samudra Software is under contract to provide maintenance of the software of the portfolio manager.

Details of the Services Offered

Discretionary Services

PSSG Capital Management Pvt. Ltd. offers discretionary portfolio management services in a fiduciary capacity on a fee basis and for fixed tenure. As a discretionary Portfolio Manager, PSSG shall, at its sole discretion, determine the securities to be purchased or sold or investments to be made, provided they are consistent with the investment objectives and policies set up for each portfolio. The Portfolio Manager shall be acting both as an agent as well as a trustee of the client's account.

The Portfolio Manager will provide quarterly reports on the performance of the portfolio to the Client and will provide an audited annual report to the Client. The Portfolio Manager shall monitor the valuation of the Portfolio and calculate the NAV at regular intervals.

PSSG Capital Management Pvt. Ltd. will safeguard the assets of the client's portfolio. All securities and cash will be properly handled and delivered to the Client as the rightful owner. Full and complete records of transactions will be maintained and can be reviewed by any investor by giving prior notice to the Portfolio Manager. The Portfolio Manager does not commit to exercise all voting and other rights relating to your portfolio, e.g. tender offers, rights offers, etc. since these shares reside in the client's demat account and these rights will be distributed directly to the client. In case any securities are in the custody of the Portfolio Manager on behalf of the client, the Portfolio will distribute the rights to the clients or determine the action to be taken in its capacity as agent and trustee of the Portfolio.

The Portfolio Manager's decisions (taken in good faith) in the deployment of the Client's account are absolute and final and cannot be called in question or be open to review at any time during the currency of the agreement or any time thereafter except on grounds of malafide intent, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force, from time to time.

The Portfolio Manager will act honestly at all times, exercise proper care and diligence, and treat investors fairly.

Investments in securities are subject to numerous risks and PSSG Capital Management Pvt. Ltd is not liable to the client for any loss in connection with any portfolio. The Client understands the presence of risk and accepts the fact that the portfolio may sustain losses as well as earn profits.

Non-Discretionary Services

PSSG Capital Management will provide Non-discretionary Portfolio Management Services in the nature of investment consultancy/management, and may include the responsibility of managing and investing the portfolio, buying and selling the securities, keeping safe custody of the securities and monitoring book closures,

dividend, bonus, rights etc. so as to ensure that all benefits accrue to the Client's Portfolio, for an agreed fee structure and for a finite period, entirely at the Client's risk.

The Portfolio Manager's actions in and advice provided towards (undertaken in good faith) the investment of the Client's account are absolute and final and cannot be called in question or be open to review at any time during the tenure of the agreement or any time thereafter, except on grounds of malafide intent, conflict of interest or gross negligence. This right of the Portfolio Manager shall be exercised strictly in accordance with the relevant Acts, rules and regulations, guidelines and notifications in force from time to time.

All decisions regarding the investment of Non-Discretionary accounts are strictly the responsibility of the Client. The Portfolio Manager accepts no responsibility for the decisions taken by the Client and all Non-Discretionary advice is only informational in nature and the Client should review this information along with all other available public information, before making any investment decision.

Advisory Services

PSSG Capital Management, acting as an Advisor, may provide Advisory Portfolio Management Services, in terms of the SEBI (Portfolio Manager) Regulations 1993, which shall be in the nature of investment advisory and shall include the responsibility of advising on the portfolio strategy and investment and divestment of individual securities in the Client's portfolio, for an agreed fee structure and for a fixed period, entirely at the Client's risk, to all eligible categories of investors who can invest in the Indian market. In its capacity as Advisor, PSSG may also publish reports or letters to its clients advising them of opportunities for investment returns and strategies to benefit from investments in various securities.

The Advisor shall be acting solely as an advisor on the portfolio of the Client and shall not be responsible for the investment/divestment of securities and/or administrative activities on the client's portfolio. The Portfolio Manager shall provide advisory services in accordance with such guidelines and/or directives issued by the regulatory authorities and/or the Client, from time to time, in this regard. The Advisor makes no guarantee of any return and the Client accepts all risks associated with any investment made based on the advisory services provided. Any investment in securities carries a risk of loss.

All decisions regarding investments when availing of Advisory Services are strictly the responsibility of the Client. The Portfolio Manager has no management responsibility at all and accepts no responsibility for the decisions taken by the Client. Advice offered is only informational in nature and the Client should review this information along with all other available public information, before making any investment decision.

Minimum Investment Amount

The minimum investment amount is Rs. 25.00 Lakhs (Rupees Twenty-Five Lakhs only) in a fresh portfolio. The investment may be made by way of securities and/or cash.

Nomination

Nomination facility is available to the Clients.

Penalties & Pending Litigation

The Company does not face any penalties or proceedings in the court of law or with SEBI. No findings of inspection have been given to the Company and no regulatory authority has undertaken any action against the Company.

There are no material litigations pending against the Company or its Key Personnel.

Neither SEBI nor any other regulatory authority has observed any deficiency in the operations of the Company.

SEBI has not undertaken any enquiry or action against the Company, its Directors, or any of its Key Personnel, in any context.

Services Offered

Investment Objectives and Policies

Under normal market conditions, the Portfolio Manager will pursue a primary objective of growth through capital appreciation and a secondary objective of income from dividends. The portfolio will be invested primarily in Indian securities that the manager believes are available at market prices less than their intrinsic value. The Portfolio Manager will apply a conservative investment approach and shall use appropriate financial tools to minimize the level of risk. The manager will employ a research-based, fundamental approach for value investing.

The Portfolio Manager will normally invest in a diversified set of companies from more than five economic sectors, but may, from time to time, concentrate assets in fewer sectors when exceptional capital appreciation opportunities occur.

The manager may invest small amounts (normally less than 10%) in securities of distressed companies involved in reorganizations or financial restructuring; or in companies planning an IPO or involved in a pending merger or acquisition.

In pursuit of a capital appreciation/growth strategy, the Portfolio Manager may invest in firms of any size if the PM feels the investment offers a superior opportunity for capital appreciation. However, as each portfolio is unique and personal, the Client may specify certain conditions on the investments made in his/her portfolio. For example, a client interested in a conservative investment strategy might specify a minimum market cap size for investments in his/her portfolio.

The Portfolio should not be invested in derivatives, except in index derivatives during periods of unusual market volatility and in those cases as are expressly permitted by the rules and policies of the particular Client agreement.

The Portfolio Manager may keep a portion, which may be significant at times, of the portfolio's assets in cash or high quality, short-term financial instruments.

Policy for Investment in Group Companies of the Portfolio Manager

The Portfolio Manager will not invest the portfolio in the securities of any Group companies without the prior approval in writing of the portfolio owner.

Risk Factors

Portfolios of securities are subject to numerous risks that will impact the value of the portfolio. Securities investments are subject to market risks and there is no assurance or guarantee that the portfolio will its achieve its objectives or even earn money. At any point, the portfolio could lose value. To the extent possible, investment risks will be reduced but not all of these risks are foreseeable. The following are some of the numerous risks faced when investing in securities.

- i. Macro-Economic risks like the overall economic conditions, corporate performance, environmental or political problems, changes in monetary or fiscal policies, or changes in government policies and regulations with regard to industry and exports, may have a direct or indirect impact on the investments in the Portfolio.
- ii. Sovereign risk pertains to risks due to acts of the State, or sovereign action, including regulatory action, changes in tax policy, licensing policy, ownership and investment rules, among others.
- iii. Equity instruments carry both company specific risks and market risks and hence no assurance of returns can be made for these securities.
- iv. The Client stands at risk of loss due to problems associated with transferring, pricing, and safekeeping or record keeping of Securities. Transfer risk may arise due to the process involved in registering the shares, in the name of the Client, while price risk may arise on account of availability of share price from Stock Exchanges during the day and at the close of the day.

- v. Non-Diversification risk arises when the portfolio is not sufficiently diversified by investing in a wide variety of instruments.
- vi. Interest Rate Risk is associated with movements in interest rates, which cause a change in the value of securities in the portfolio. Interest rates depend on various factors like the Reserve Bank credit policy, government borrowing, inflation, economic growth rates, etc. Fixed income investments are especially subject to the risk of interest rate fluctuations, which may accordingly increase or decrease their value.
- vii. Bankruptcy risk relates to the company's inability to repay its debts. In case the company does not meet its obligations, the company may be forced to enter bankruptcy and there would be no assurance that a creditor or investor in the company would receive any value for their investment thereafter.
- viii. Liquidity Risk occurs when investments in equity and related securities are restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the sales realization may be adversely affected by liquidity risk. While Securities that are listed on a Stock Exchange generally carry a lower liquidity risk, the ability to sell these investments, or liquidity, is limited by overall trading volume on the Stock Exchange.
- ix. Derivatives involve certain, unique risks. A derivative traded over-the-counter may entail a counter party risk to the extent of amount due from the counter party. The cost of hedging can be higher than the adverse impact of market movements. An exposure to derivatives in excess of hedging requirements can lead to losses. Exposure to derivatives can also limit the profits from a genuine investment transaction.
- x. Force majeure risks are unforeseeable risks like acts of nature, acts of war, civil disturbance, or terrorism.
- xi. Reinvestment risk arises from the uncertainty in the rate at which cash flows from an investment may be reinvested. The rate at which the cash flows will be reinvested will depend upon prevailing market rates at the time the income is received and this rate may vary from the rate at which the investment was made.

While the Portfolio Manager shall take reasonable steps to invest the portfolio in a prudent manner, investment decisions may not always prove to be profitable and the Client shall assume any loss arising from such decisions. The past performance of the Portfolio Manager does not predict the future results of this or any other portfolio to be managed in the future by the Portfolio Manager. Historical performance information is disclosed elsewhere in this document.

Further, the objective of capital appreciation subjects the portfolio to various market and other equity risks. The decision to allocate most of the portfolio to equity

investments creates an asset allocation risk that these investments may not perform as well as fixed income or other non-equity investments.

Client Representation

No related entity is a client of the Portfolio Manager, except for the management of its own Portfolio.

Category of Clients	No. of clients	Funds Managed (Rs. lacs)	Discretionary
Institutions	1	181	Discretionary
Group Companies	0	0	N/A
Others	8	113	Discretionary
Total	9	294	

Disclosure of Related Party Transactions

One of the Directors of PSSG Capital Management, Mr. Schneeberger, is a shareholder of and actively involved in the management of Surya Shakti India Financial Pvt. Ltd. as a Director of that company. PSSG Capital Management uses the broking services of Surya Shakti India Financial Pvt. Ltd. while managing the discretionary accounts of clients. In 2015-16, PSSG paid Surya Shakti an amount of Rs.37,454.52 for brokerage services, out of which Rs.23,318.44 was for client transactions. In case any client has concerns about the use of this broker, please inform the Portfolio Manager so that an appropriate remedy can be identified.

PSSG also hires Samudra Software Private Limited for software services. Mr. Schneeberger is a shareholder of and actively involved in the management of Samudra Software Pvt. Ltd. as a Director of that company. An amount of Rs.60,000.00 was paid for the maintenance of back office software for the year. PSSG leases its office space from Samudra Software by paying an amount of Rs.1,14,500/- during the year.

The Financial Performance of the Portfolio Manager

The information below represents the periods ended March 31, 2014 and March 31, 2015.

Audited Balance Sheet (in Rupees)

	As on 31.03.2014	As on 31.03.2015
Capital	29,900,891	28,315,399

Current Liabilities	5,225,765	1,484,460
Deferred Tax Liabilities	2,841	3,341
Total Funds	35,129,497	29,803,200
Fixed Assets	41,174	33,198
Investments	28,639,964	27,619,370
Current Assets	6,448,359	2,150,632
Total Funds	35,129,497	29,803,200

Audited Profit and Loss Statement (in Rupees)

	31.03.2014	31.03.2015
Income	2,758,683	4,223,864
Expenses	891,911	1,327,741
Profit Before Tax	1,866,772	2,896,123
Tax	313,500	510,755
Profit After Tax	1,553,272	2,385,368

Historical Performance

Performance through 31.03.2016 (Total Return, not annualized)	6 months	1 year	2 years	3 years
NIFTY	-2.65%	-8.86%	15.43%	36.18%
Conservative Portfolio (weighted average)	0.22%	5.39%	16.27%	35.68%
Aggressive Portfolio (weighted average)	1.29%	1.23%	24.98%	77.13%

Nature of expenses

This section of the document shows fees and other costs that may be charged. These fees and costs may be deducted from your cash balance, from the returns on your portfolio, or from your portfolio as a whole.

Please read all the information about fees and costs in order to understand their impact on your investment. You will find a sample of the fees chargeable on your portfolio under various performance scenarios attached in Annexure D.

SPECIMEN FEE STRUCTURE

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of PSSG	Entry Load The fee to open your investment portfolio	Nil Not applicable
	Contribution fee The fee on each amount you add to your investment	Nil Not applicable

	<p>Exit Load</p> <p>a) The fee on the amount you take out of your investment on the expiry of the agreement period.</p> <p>b) The fee on the amount above Rs. 25.00 Lakhs withdrawn before 183 days of the commencement of the contract</p> <p>c) The fee on the amount above Rs. 25.00 Lakhs withdrawn after 183 days of the commencement of the contract</p>	<p>Nil</p> <p>1.75%</p> <p>0.75%</p>	<p>Not applicable</p> <p>Calculated on the amount withdrawn</p> <p>Calculated on the amount withdrawn</p>
	<p>Termination fee The fee to close your investment prematurely than stated in the agreement</p>	<p>Before 6 months: 2% or Rs.50,000 whichever is less After 6 months: 1% or Rs.25,000/- whichever is less</p>	<p>Calculated on your Portfolio Value NAV as on the date of termination</p>
Management Costs	The fees and costs for managing your investment	<p>Management Fee 2% pa of your Portfolio value or as per Client Agreement</p> <p>Performance Fee 20% of the Returns earned by the Portfolio (for Aggressive Portfolios), calculated by comparing the current adjusted Portfolio value with the Previous High Watermark for the portfolio. Portfolios will not be charged any Performance Fee on the first 10% returns earned each year.</p>	<p>Calculated on and deducted from your Portfolio value fortnightly.</p> <p>Calculated and charged at the end of the financial year based on the previous High Watermark of the portfolio</p>
Custodial Fees	If you open a Beneficiary account with Stock Holding Corporation of India Ltd. or other approved Depository Participant	Actual Fees charged by the DP	Paid by adjusting the bills of the DP from the Client Cash Balance
Registrar and Transfer Agent Fee	Fees for registering securities on behalf of the Client	<p>Demat Securities : Nil</p> <p>Physical Securities : Actual Cost for Forms, Stamp Duty, and Postage, plus Rs.50 Handling Fee</p>	<p>Not Applicable</p> <p>Paid at the Time of Registration by adjusting the amount from the Client Cash Balance</p>
Brokerage Fees	Charges paid for purchases/sales of securities	Actual Fees charged by the Broker.	The fees will be charged to the portfolio within 2 days of the transaction.

Valuation Fees	Fees paid for valuation of securities	Actual Fees charged by the Valuer	As and when charged by the Valuer
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Taxation

The owner of the portfolio will pay the Taxes, if any, for the activities of the portfolio including opening and operating the account, and any taxes related to purchase, sale, or profit generated by the portfolio. These charges may be deducted from the account balance of the related portfolio or directly from any sale proceeds. The Portfolio Manager will collect TDS and other taxes from the portfolio directly, if so directed by the competent authority, and will provide proof of such payment to the client. In case service tax is applicable, the Client will receive a report of the service tax paid.

Accounting Policies

The Company has the following standard accounting procedures.

Each individual portfolio will have separate ledgers and an annual balance sheet. The portfolio will be directly debited with various portfolio expenses like brokerage, taxes and management fees. Management fee will be charged at regular intervals at the rate set out in the Client Agreement. The calculation of the management fee will be based on the current portfolio valuation, considering the present market price as well as all expenditures and receivables. A performance fee will be charged once per annum at the close of the financial year. The performance fee will be calculated based on the total returns earned by the portfolio after all expenses, including the management fee and any brokerage, but excluding the custodial fees. TDS deductions will not be considered as an expense for the purpose of calculation of performance fee, though STT and service tax will be treated as an expense.

The portfolio will be valued based on the closing prices of the National Stock Exchange, or if the security is not traded there, the closing price of the Exchange where the security is actively traded, on each alternate Friday or the previous working day if Friday is a holiday.

Dividends paid to the client's bank account directly from the shares held in the portfolio administered by the Portfolio Manager will be considered as a part of the total return generated by the portfolio.

The Portfolio Manager may hire a third party provider of valuation services as the Calculation Agent for determining the official value of the portfolio. In case a Calculation Agent is hired, the associated costs will be debited to the Client account.

In case any mutual funds are included in the client portfolio, they will be valued at the closing market price, if traded on an exchange, or at the published repurchase NAV

for that date. In case any government or corporate bonds are included in the client portfolio, they will be valued at the closing market price, if traded on a public exchange, or in the absence of a market price, at their theoretical value calculated for that date. If any unlisted securities are included in the portfolio, they will be valued at purchase price or any published price for a recent transaction, after a haircut of 30% for illiquidity, provided that the purchase price or published price must be marked down in the case of any material news that would reduce the value of the security. In case any financial derivatives are included in the portfolio, they will be marked to market at the end of each trading day. If the derivative price is not published by an exchange or the price published by the exchange is stale, the theoretical value of the derivative will be used. In case the portfolio invests in any exchange-traded commodities derivatives, they will be marked to market at the end of each day.

The Company will employ the “High Watermark” system for charging the performance fee, which compares the current end of year portfolio valuation and the last High Watermark to determine any performance fee. The High Watermark is the end of year value of the portfolio after deducting the Performance Fee. Only when the current end of year portfolio valuation exceeds the last High Watermark will a performance fee be charged and the High Watermark will be reset. Thus, any year a portfolio has a negative return, no performance fee will be charged and the basis for performance fee calculation will remain at the prior existing High Watermark, unless the NIFTY index records a positive return. If the NIFTY index records a positive return and the portfolio has a negative return, then the High Watermark will be adjusted upwards by the minimum of 10% or the % change in the index for the year, whichever is lower.

Investor Services

Investor Relations Officer

For further information, investors should contact the Investor Relations Officer.

Attention: Mr. Hari Asrani
PSSG Capital Management Pvt. Ltd.
G-3, Shree Complex
48-8-15, Dwarakanagar
Visakhapatnam – 530 016
Tel.No.: 0891-2705440

email: hari@pssgcapital.com

Grievance Redressal

In case of any grievance, the Compliance Officer should be contacted for redressal. If the client is still not satisfied, the client may ask for a meeting with the Portfolio Manager, and if that is still not sufficient, the client may opt for an arbitration proceeding. The Arbitration procedures are set out in the Client Agreement.

Attention: Compliance Officer
Mr. V. Ramakrishna
PSSG Capital Management Pvt. Ltd.
G-3, Shree Complex
48-8-15, Dwarakanagar
Visakhapatnam – 530 016
Tel.No.: 0891-6637074

email: ramakrishna@pssgcapital.com

The client may also register their concern with the Securities And Exchange Board of India. Investors may use the SCORES system (www.scores.gov.in) to lodge a complaint online with SEBI.

Date: March 31, 2016
Place: Visakhapatnam

Name and Signature of the Directors of the Portfolio Manager

	Name of Directors	Signature
1.	Mr. Mahendra Tated	/sd/
2.	Mr. V.S. Sastry	/sd/
3.	Mr. Peter K. Schneeberger	/sd/