

## Annexure 4

### Operational Guidelines for implementation of Performance Benchmarking

#### **Section A:**

- (a) Performance Benchmarking shall be done on a half yearly basis based on the data as on September 30 and March 31 of each year.
- (b) AIFs/ Schemes that have completed at least one year from First Close, shall provide all the necessary information/data to the Benchmarking Agencies.
- (c) AIFs shall provide data on cash flows and valuation of their scheme-wise investments to the Benchmarking Agencies in the form and format required by each Benchmarking Agency, within 45 days from the end of every half-year ending on 30<sup>th</sup> September and within 6 months from the end of every half-year ending on 31<sup>st</sup> March. The format of data reporting shall mandatorily include details of valuation principles and the name of the Valuation Agency appointed by the AIF.
- (d) Periodicity of valuation of investments shall be as provided in the AIF Regulations.
- (e) Data provided for March 31 of every year shall be audited data and for September 30 may be unaudited data.
- (f) Valuation of investments shall be in the manner provided in the specific Scheme's PPM or fund documents, as the case may be. Any change to valuation principle shall be informed to the Benchmarking Agencies in the immediate next data submission.
- (g) Assets under Management (AUM) for the purpose of reporting and benchmarking shall be the value of total capital drawn down under the Scheme.
- (h) The performance reporting and benchmarking shall be carried out on pre-tax Net Asset Value (NAV) of the Scheme.
- (i) Benchmarking Agencies shall compile the data received from AIFs and create comparable industry performance benchmarks for the various categories of AIFs i.e. Category I, II and III, separately for each year since 2012. The industry performance benchmarks will be disseminated in a manner that is accessible to the public.
- (j) Considering the diverse investment strategies and investment avenues that can be deployed by an AIF within the same category of AIF, additional performance benchmarks may be created, based on certain other parameters [besides those

covered under (i) above]. Benchmarking Agency shall ensure that such performance benchmarking shall be based on objectively verifiable parameters like instrument of investment, tenure/vintage of the fund, focus sectors, etc.

- (k) Benchmarking Agencies shall provide a Performance Benchmark Report to the individual AIFs/ Schemes vis-à-vis the industry benchmarks.
- (l) Each Benchmarking Agency shall clearly provide the basis of benchmarking of individual AIFs/ Schemes as well as calculation of the industry benchmark, along with the Benchmark Report.
- (m) The performance data and benchmarks shall be reported in both INR and USD terms.

#### **Section B:**

- (n) Benchmarking Agencies may create customized Performance Reports, at the specific request of an AIF/ Scheme, in the following manner:
  - (i) Identification of the set of AIFs that meet the particular criteria on which customized performance report is to be generated.
  - (ii) Such identification may be either on the basis of self-attestation by the relevant AIFs or by independent verification by Benchmarking Agencies.
  - (iii) Receipt of express consent of the AIFs whose data is needed for creating such report.
  - (iv) Preparation of customized performance reports may be a fee-based service, as decided mutually between the AIFs and the Benchmarking Agencies.
  - (v) Customized performance reports thus generated shall be called "Performance Report" as against the nomenclature "Benchmark Report", which shall be used for the standard benchmark reports generated based on SEBI mandate.

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