

## Outperformance Fee Result-oriented management compensation.



## Enables fund administrators to apply performance-based, result-oriented compensation of management success.

Outperformance fees are performance-related fee models that are gaining in popularity throughout the German fund landscape. Fund managers use them to enhance returns.

Based on its many years of experience, IDS GmbH – Analysis and Reporting Services (IDS) offers asset management companies and custodian banks exact and reliable calculation of outperformance fees on a daily, weekly or monthly basis.

A full range of calculation methods (volume-based, high water mark, high-to-high etc.) are available out of the box and can be flexibly adapted to meet clients' needs.

In addition to statistics, comprehensive reporting includes simulations based on various scenarios.

IDS makes it possible to integrate the different calculation methods of the various user groups and the heterogeneous outperformance fees into a standardized and automated process. IDS has the efficiency of the process certified by an independent auditor each year.

IDS implements the calculation process based on the specifications provided by the client and guarantees timely and exact calculation of the outperformance fee.

### Features

- Full-range of calculation methods, e.g. volume-based, high water mark, high-to-high
- Calculation models customized to client needs
- Implementation of individual calculation methods
- Extensive quality controls
- SOX-verified calculation process
- Flexible output formats (e.g. PDF, XLS, DOC files)
- Comprehensive reporting of results for the custodian bank, the fund accounting department, fund managers and management
- Analysis of daily outperformance fees on the basis of statistical methods
- Predicting future performance trends by means of Monte Carlo simulations
- Modeling support based on long-standing experience
- Competent support for inquiries by the custodian bank, the fund accounting department, fund managers and management
- Set-up and operation of special interfaces to the client, the fund accounting department and the custodian bank

## **Benefits**

- Calculation by an independent provider
- Low-cost implementation
- Minimal process risk
- Optional benchmark-based revaluation to reduce valuation distortions
- Possibility of using market data (e.g. benchmark data) relieves users of non-core tasks
- Reduced maintenance demands on the client
- Comprehensive reporting and analysis services
- Access to expert advice for use and interpretation of the calculations

## **Functionalities**

### **Variety of established calculation methods**

IDS offers an array of calculation methods that meet client demands as well as the requirements of the various regulatory agencies. Examples include the volume-based, the high watermark and the high-to-high methods. In addition, the methods can be adapted to meet individual client needs.

### **Elimination of process risk**


The calculation is characterized by numerous controls and precautions. A fallback process ensures that the outperformance fees can be calculated at any time.

### **Comprehensive reporting and analysis services**

Based on its many years of experience in calculating outperformance fees, IDS offers dedicated reporting as well as analysis and interpretation of the calculation results. In addition to statistics, our comprehensive reporting includes scenario simulations.

### **Advisory Support**

Modeling new methods and advising the client on all issues relating to the calculation of outperformance fees is part of our service package.



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For further information about IDS  
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