MFD CENTRAL

Brokerage Analyzer

A Reader's Guide

Understanding the numbers your statements have been quietly showing you all along.

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For mutual fund distributors

Why this tool exists

Every month, the CAMS brokerage statement arrives. Most of us open it, scan the total, notice the figure has grown alongside our AUM, and close the file. The rate at which we are being paid almost never gets a second look. That habit costs us more than we realise.

Almost every AMC quietly tapers the trail brokerage as a folio ages. A SIP started in 2017 in a popular midcap fund may today earn the distributor as little as 0.10% trail, while a new SIP into the very same scheme starts at 0.60% — six times more. Same fund, same investor, same investment behaviour. The only difference is when the money entered.

The one consistent exception is Parag Parikh Mutual Fund, which declares a single fixed trail rate per scheme that applies equally to old and new money.

> **The vintage haircut, in plain numbers**
>
> Trail brokerage rates are **annualised**, so to compare them in monthly terms we divide by 12. On an investment of Rs. 10,000 sitting in the same fund:
>
> A 2017-vintage folio paying 0.10% trail earns the distributor Rs. 10 per *year* — about **83 paise per month**. The same Rs. 10,000 entered as a fresh SIP today at 0.60% earns Rs. 60 per year — about **Rs. 5 per month**. Six times the brokerage, for identical service to the investor.

The Brokerage Analyzer makes this invisible problem visible. Feed your WBR77 brokerage statement and your WBR39 scheme master, and within seconds the tool surfaces:

The **weighted-average rate** you are actually receiving in each scheme, the **minimum and maximum rate** spread within the same scheme across all your folios, and a **Rate Spread Watch** that flags schemes where the gap between the highest- and lowest-paid rate is wide enough to merit action.

This guide explains every number the tool shows, in the same patient way one would explain it sitting across a desk. Once these concepts are clear, ten minutes a month with this tool can recover a meaningful slice of income that has been quietly slipping away.

What each number means

After the tool finishes analysing the file, the first thing on screen is a row of five summary tiles. They look small but together they tell the headline story of the month.

The five summary tiles

Reading from left to right:

Tile	What it shows	How to read it
Net Brokerage	Total brokerage you received this month, after deducting any clawbacks.	The bottom-line number on the cheque. Up or down compared to last month becomes the comparison signal.
Wt-Avg Rate	The weighted-average annualised brokerage rate across your entire book.	A single percentage that summarises "across every rupee you earned, what rate were you paid?"
Gross Received	Total brokerage received before clawback adjustments.	Useful only when paired with the clawback line; otherwise Net is the better number.
AMCs	Number of distinct fund houses that paid you brokerage this month.	Concentration check — if one or two AMCs make up most of your trail, that is a risk worth noting.
Schemes	Number of distinct schemes that earned trail this month.	Diversification check. Also useful to spot if a scheme has silently dropped out of payment.

Each scheme shows a "Range"

When an AMC tile is expanded, every scheme inside it shows a coloured chip that reads something like **Range: 0.490% – 1.200%**. This is the most important single piece of information in the tool, and the one most people misunderstand.

The range is **not** a forecast or an estimate. It is the actual minimum and maximum rates paid by the AMC **within this single scheme** during the month. The minimum is the lowest rate any folio in this scheme received. The maximum is the highest rate any folio received. Both numbers are real, both came from the AMC, both are sitting in your statement.

> **A real example from the data**
>
> DSP Large & Mid Cap Fund shows **Range: 0.490% – 1.200%**. This means that within this one scheme, the oldest folios are earning the distributor only 0.49% trail, while the newest are earning 1.20%. Both rates are being paid simultaneously by the same AMC for the same fund — the difference comes entirely from when each investor entered.

What the "Wt-Avg" rate actually means

The weighted-average rate is the answer to one specific question: *"Across every rupee of brokerage I earned in this scheme this month, what was the average rate the AMC paid me?"* — not the simple arithmetic average of all the different rates, but a fair average that gives larger transactions proportionally more influence.

Imagine a scheme with five transactions paying five different rates, with very different brokerage amounts:

Transaction	Rate (%)	Brokerage (Rs.)
1	0.30	100
2	0.50	200
3	0.80	500
4	0.40	50
5	0.60	150
Total		**1,000**

The **simple average** of the five rates is (0.30 + 0.50 + 0.80 + 0.40 + 0.60) divided by 5, which is **0.52%**. But this is misleading: it treats the Rs. 500 transaction at 0.80% and the Rs. 50 transaction at 0.40% as equally important, when one represents ten times more money than the other.

The **weighted average** fixes this. For each transaction it multiplies the rate by the brokerage amount, sums those products, then divides by the total brokerage:

(0.30 × 100) + (0.50 × 200) + (0.80 × 500) + (0.40 × 50) + (0.60 × 150) = 640
640 divided by 1,000 = 0.64%

The weighted average comes out to **0.64%**, not 0.52%. The Rs. 500 transaction at 0.80% pulls the average upward because it represents half the total brokerage. The Rs. 50 transaction at 0.40% barely moves the needle.

In plain language: *every rupee of brokerage gets one vote on the average rate*. A Rs. 500 transaction casts 500 votes; a Rs. 50 transaction casts 50 votes. The weighted average is the outcome of that vote.

Reading the Rate Spread Watch

Below the Book Vintage card sits a section called **Rate Spread Watch**. It begins collapsed by default; tapping the header expands it. This is where the tool surfaces the schemes most worth a second look — the ones where the gap between the highest- and lowest-paid rates inside the same scheme is large enough to act on.

The "times" multiplier — read this slowly

When the tool says a scheme has a **spread of 7 times** or **10 times**, it is making a specific claim that deserves to be understood carefully.

A spread of "7 times" means this: within the same scheme, the highest rate paid is **seven times** the lowest rate paid. Not seven percent higher. Seven *times* higher. The arithmetic is simple division: maximum rate divided by minimum rate.

> **Worked example**
>
> HSBC Value Fund shows a range of 0.04% to 1.01%. Divide 1.01 by 0.04, and we get **roughly 25 times**. The newest unit-holders are being paid roughly twenty-five times the rate the oldest unit-holders are getting — for the same fund, on the same NAV.

To put it in rupee terms an investor would understand: if one folio holds Rs. 10 lakh and pays the distributor 0.04% trail, that is Rs. 400 a year. Another folio of identical value paying 1.01% earns the distributor Rs. 10,100 a year on identical service. Same fund, same money, twenty-five times the trail.

Two kinds of flags: Material-Drag and Wide-Range

Not every scheme with a wide range is equally worth your attention. The tool separates flagged schemes into two categories based on how much money is actually stuck at the low end:

> **Material-Drag (red flag)**
>
> The scheme has a wide range *and* at least **10% of its brokerage** is sitting at rates below half the scheme's maximum. This is real money you are losing every month. Action-worthy.

> **Wide-Range (amber flag)**
>
> The scheme has a wide range *but* only a small amount of brokerage is at the low end. The pattern is concerning, but the immediate rupee impact is limited. Worth watching, not yet worth chasing.

Why this two-tier system matters: a scheme might show a 10× spread, but if only a few small folios are stuck at the low rate, chasing them is poor use of time. **Material-Drag** flags the schemes where the low-rate cohort is large enough that rectifying them moves your monthly income meaningfully.

When you open the Rate Spread Watch, the flagged schemes are sorted with the largest low-cohort rupees first. The headline at the top tells you the bottom-line impact in one sentence: how many schemes are flagged, and how many rupees of your trail sit at rates below half the maximum.

Below each flagged scheme name, if the tool detects rows whose transaction description contains campaign-related keywords (additional, campaign, promotional, dhamaka, incentive, contest), a small italic hint appears. The hint does not change any numbers shown for that scheme — it simply tells you that

some of the low-rate rows in the scheme may be additional/campaign trail rather than aged-folio rate cuts. The verification step on the next two pages shows how to confirm this in your own data.

Comparing two months

On the upload page, below the two file zones, there is a small link labelled **"Compare with another month"**. Clicking it reveals a third upload zone where you can drop a second WBR77 from a different month. Once both months are loaded and analysed, the tool switches into compare mode and everything you see becomes a delta — not a snapshot.

What changes in compare mode

The five summary tiles now show movement, not totals:

Tile	Meaning in compare mode
Net Brokerage	The current (later) month's net brokerage figure.
Wt-Avg Rate	The current month's overall weighted-average rate.
Gross Received	The **change** in net brokerage from earlier month to later month, in rupees.
AMCs	Number of AMCs in the current month, with a note if any have dropped or appeared.
Schemes	Number of schemes with a wt-avg rate cut of 5% or more, plus new and dropped scheme counts.

The 5% rate-cut signal

A scheme is flagged with a red dot in compare mode when its weighted-average rate has dropped by 5% or more between the two months. This is a sharper signal than the Rate Spread Watch — the spread watch reveals long-standing inequities, while the rate-cut flag catches **fresh cuts that just happened this month**.

A 5% drop in weighted-average rate does *not* mean the rate fell from 0.70% to 0.65%. It means the rate fell by 5% of itself — for example from 0.70% to 0.665%. Small in percentage points but compounding across your entire book of that scheme.

> **How AMCs quietly tighten brokerage**
>
> If you see a large block of schemes inside one AMC all flagged with rate cuts in the same month, the AMC has executed a quiet brokerage circular. This is normal in our business and not always negotiable, but it is information worth knowing — especially when comparing AMC behaviour at year-end. Schemes flagged month after month indicate sustained tightening.

The "Full table" option

In compare mode a small **"Full table"** button appears alongside the search bar. Clicking it opens a wide, raw side-by-side table covering every scheme: thirteen columns showing the earlier month's min/max/wt-avg/brokerage, the later month's equivalents, and the deltas. The scheme name column stays frozen as you scroll horizontally, and the two header rows stay frozen as you scroll vertically. Use this when the delta-first view leaves you wanting the raw numbers.

Before acting on any flag — a critical caution

The tool can flag a scheme as Material-Drag or Wide-Range with mathematical certainty. What the tool **cannot** tell you is *why* the low rates are there. Before concluding that the AMC has tapered an aged folio, one important possibility must be ruled out.

Not every low rate is a vintage haircut

Some of the low-rate rows you see in your brokerage statement are not regular trail at all. They are **Additional Trail Fees** — supplementary payments AMCs make as part of time-limited campaigns, sales contests, or promotional structures. By design, these are paid at a different (often lower) rate than the regular trail, for a defined period.

When the Brokerage Analyzer flags a scheme with a wide rate spread, some portion of the low-rate cohort may simply be Additional Trail Fee entries from a past contest. They are not an injustice the AMC has done to your aged folios — they are a separate revenue category sitting alongside regular trail.

> **Why this matters**
>
> If you misread an Additional Trail Fee as a vintage haircut, three things go wrong:
>
> **(1)** You may blame an AMC unfairly for a tapering they did not actually do.
> **(2)** A redeem-and-reinvest will not "fix" anything — the Additional Trail amount was always going to be paid at that lower rate, regardless of when the folio started.
> **(3)** You may create avoidable friction with the investor by initiating a transaction that achieves nothing for them or for you.

The original WBR77 file contains a column called **trxn_desc** (transaction description). This column distinguishes regular trail from additional trail in plain English. Typical values include:

Regular trail fee (expected behaviour)	Additional / campaign trail (separate category)
Trailer Fee	Additional Trail
Trailer Fee - SIP/STP	SIP/STP additional trail
Trail commission	Additional Trailerfee SIP/STP Dhamaka
TF SIP/STP WEF 01-Nov-2019	Additional Trail-TLI-OCT2024
Trailerfee for Systematic Trxn	IFA - SIP/STP Campaign Structure
AFE/TF… (various)	AFETF - Addl TF for IFA…

A scheme with a wide rate spread is worth a careful look only after you have opened the WBR77 file and confirmed that the low-rate rows are *regular trail* (left column above), not additional trail (right column above). The next two pages show you how to do that confirmation in five minutes.

Verifying a flag in your own data

The raw WBR77 has 110 columns and is nearly unreadable as it arrives. To verify a flagged scheme by examining its actual rows, you need a cleaner version of the file — one with only the columns that matter, with filters enabled, and with each AMC in a distinguishable colour so you can navigate quickly.

You do not need to know Excel formulas or VBA to produce this. Paste the prompt on the next page into any modern AI assistant with file-handling capability — Claude.ai or ChatGPT with code execution both work — together with your WBR77 file. The assistant will produce a cleaned XLSX you can open and review in minutes.

What the cleaned file will contain

Column	What it shows
amc_code	AMC code — each AMC gets a distinct row colour
scheme_code	Scheme code, matches what the Brokerage Analyzer displays
trxn_type	Short transaction-type code
trxn_nature	N (new/NFO trail) or S (standard ongoing trail)
brkage_rate	Annualised brokerage rate, in percent
brkage_amt	Brokerage amount in rupees
trade_date_time	When the underlying SIP / lumpsum was originally registered (vintage anchor)
brkage_to	End date of the period this brokerage row covers
trxn_desc	Plain-English description — the key column for distinguishing regular trail from additional trail
inv_name	Investor name
folio_no	Folio number (helps you locate the investor in your CRM)

The cleaned file will also have an auto-filter applied on the header row (so you can click any column header to filter by AMC, by scheme code, or by transaction description), a comfortable row height of 15 points for readability, and a distinct fill colour for each AMC's rows so a different fund house is visually obvious as you scroll.

The prompt to paste into your AI assistant

Open Claude.ai or ChatGPT (with code execution enabled). Attach your WBR77 file. Then paste everything between the dashed lines below. The assistant will produce a downloadable XLSX file in a minute or two.

> I'm attaching a WBR77 brokerage statement from CAMS. It has many columns most of which I don't need. Please produce a cleaned-up XLSX with the following exact requirements:
>
> **1. Keep ONLY these 11 columns, in this exact order:**
> amc_code, scheme_code, trxn_type, trxn_nature, brkage_rate, brkage_amt, trade_date_time, brkage_to, trxn_desc, inv_name, folio_no
>
> **2. Convert date columns to readable dates.** The columns trade_date_time and brkage_to in the original file are Excel serial-number dates. Convert them to DD-MMM-YYYY format (for example, 28-Apr-2026) so they read naturally.
>
> **3. Apply an auto-filter on the header row** so I can click any column header to filter by AMC code, scheme code, transaction type, or any text in trxn_desc.
>
> **4. Freeze the top row** (the header) so it stays in view as I scroll.
>
> **5. Set the row height of every data row to 15 points** for comfortable reading.
>
> **6. Apply a distinct background fill colour to each AMC's rows.** Group all rows with the same amc_code together first (sort by amc_code, then by scheme_code within each AMC, then by brkage_rate within each scheme). Then assign a pale, easy-on-the-eye fill colour to each AMC — use soft pastels (light blue, light green, light yellow, light pink, light lavender, light peach, etc.) so any AMC boundary is visually obvious. Do not use saturated or dark colours.
>
> **7. Make the header row bold** with a slightly darker background so it stands out.
>
> **8. Save the output as** WBR77-Cleaned.xlsx **and provide a download link.**

How to read the result

Once you have the cleaned WBR77 open, use the auto-filter on the **trxn_desc** column to view only rows where the description starts with *"Trailer Fee"*, *"Trail commission"*, or *"AFE/TF"*. These are regular trail rows. Filter separately for rows where **trxn_desc** contains the word *"Additional"* or *"Campaign"* — these are the rows where a lower rate is expected and is not a sign of AMC tapering.

Then, for the scheme the Brokerage Analyzer flagged, use the **scheme_code** filter to view only that scheme. Look at the spread of rates within the regular-trail rows alone. If the spread is still wide, the vintage haircut is real and the action recommendations in the next section apply. If most of the low rates turn out to be Additional Trail rows, the flag was a noise artefact and no action is needed.

What to actually do with these signals

Knowing that a scheme is paying 0.10% instead of 0.60% is only valuable if there is a professional action that can change it. Once you have used the verification step on the previous page to confirm the flag reflects regular trail (not an Additional Trail entry), there are two habits worth building.

1. Redeem and reinvest within the LTCG exempt limit

When a folio holds unrealised long-term capital gains within the annual Rs. 1.25 lakh exempt limit, a **redeem and reinvest**, or a **switch into a sibling scheme**, achieves two professional outcomes in a single transaction:

> **A two-in-one move that benefits everyone**
>
> **For the investor:** Tax harvesting — gains booked tax-free under the LTCG exemption, cost basis reset upward, future tax outgo reduced.
>
> **For the distributor:** The AMC treats the reinvestment as a new purchase. The trail rate resets from the aged-folio rate (perhaps 0.10%) back to the new-money rate (perhaps 0.60%). Same money, same fund, roughly 0.5% higher trail every year going forward, compounding for the entire holding period.

This is not a workaround. It is a legitimate, openly available facility that the tax code permits and that benefits the investor in their own right. The reset of the distributor's trail rate is a side-effect that the AMC themselves have engineered into their own folio-aging policy.

2. Register SIPs for 3 years, not perpetual

Defaulting all SIP registrations to "perpetual" is convenient but quietly costly over a long career. A 3-year SIP that the distributor renews manually achieves three things:

(a) A natural review touchpoint with the investor every few years, when the renewal is due. The investor feels attended to. The distributor strengthens the relationship.
(b) When the SIP is renewed, the new mandate is treated as fresh registration. The brokerage clock resets to the current new-money trail rate, not the aged rate the original SIP had drifted into.
(c) Goal alignment becomes natural — every three years is a fair cadence to review whether the original goal still applies, whether the scheme is still appropriate, and whether the SIP amount needs revision.

> **A word of caution**
>
> Both these actions must be taken with the investor's interest as the primary driver. Tax harvesting genuinely benefits the investor in most cases. 3-year SIPs create healthier engagement. But neither should ever be done *only* for the distributor's rate reset — that would be unprofessional and, depending on documentation, a regulatory concern. Read each situation carefully. The cleanest cases are folios where the LTCG sits comfortably below the exempt limit and the investor has no immediate goal-driven need to hold the same units.

Final notes

What the tool currently covers

The Brokerage Analyzer reads the standard CAMS WBR77 (brokerage statement) and WBR39 (scheme master) downloads. CAMS-serviced AMCs are fully supported. KFintech support is planned for a future release.

All file parsing, calculation and PDF generation happen entirely inside the browser tab on the distributor's own device. No data is uploaded, transmitted, or stored on any server. Investor names, folio numbers and brokerage figures present in the statement are processed locally and never seen by MFD Central or any third party.

A reminder about GST

From April 2026, the GST change has effectively reduced most distributors' net commission by roughly 15%. On a 1% trail, what used to land as Rs. 100 now lands as about Rs. 84.75. For MFDs operating below the Rs. 20 lakh threshold, this is a cut that cannot be escaped.

The actions in this guide will not undo the GST hit. They will, however, recover a comparable or larger amount through better attention to the vintage-haircut that has been silently in play for years. Most distributors, when they first run this tool, find that the recoverable amount on a typical book exceeds the GST loss.

Solutions are always within, when we look for them.

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