MARCELLUS

Distributor Change Request Form

Date :_____ **PMS Account Code:**_____

Name of Client	
Name of Old Distributor	
Name of New Distributor	
New RM name	
New RM email address	
New Service RM name	
New Service RM email address	

Mode of Fee recovery: ☐ Bank Transfer ☐ Selling of Securities

I/We understand that as a result of Distributor Change Request, Marcellus will need to compute the fees due and recover the same before implementing my/our request.
I/We understand that except the above recovery, my/our billing cycle will continue to remain as the Financial Year ending on March 31st or the account activation anniversary date, as the case may be.

Name : First Applicant	Name : Second Applicant	Name : Third Applicant

Note:

1) *The Fee structure change (from fixed fee structure to performance fee structure) is not allowed under Distributor change request.*
2) *As per the distribution agreement executed with the distributor, Marcellus will intimate the receipt of such request to the old distributor before the movement of account to New distributor code.*
3) *Marcellus will take 10 (Ten) days to give effect to such changes. Eg. If the Client request is received on 1st of the month then the effective date will be a day upto the 10th day of month.*
4) *Please note that the Distributor change request cannot be effected on the 1st or the last day of the month.*
5) *Client signature should be same as registered in the Marcellus system or as per the Account Opening Documents.*
6) *In case of any incomplete information provided on Distributor Change request form, then the said request will be put on hold until complete information is received from the client.*

SCHEDULE 3.1: Fee structures and list of charges for Consistent Compounders Investment Approach (Partner)
Please Tick (✓) in anyone of the Fee Structure of your choice.

Discretionary (Fixed Fees Only)	☐	**Fixed fee*** at 2% Per Annum of the Net Asset Value[1] - charged Quarterly[2]
Discretionary (Fixed and Performance fees)	☐	**Fixed fee*** at 1% Per Annum of the Net Asset Value[1] - charged Quarterly[2] **Plus** **Performance Fee**** at 15% Per Annum on all returns in excess of 12.0% Hurdle Rate of Return (No Catch up) subject to a High Water Mark - charged Annually[3]
Discretionary (Performance fees only)	☐	**Performance Fee**** at 20.0% Per Annum on all returns in excess of 8.0% Hurdle Rate of Return (No Catch up) subject to a High Water Mark - charged Annually[3]

1. Portfolio Management and Advisory fees:
   Portfolio Management Fee charged may be a Fixed Fee or a return-based fee (Performance Fee) or a combination of both. Fixed fees charged to clients will range from 10 BPS to 250 BPS per annum. The Portfolio Manager also intends to charge Performance Fees which will kick in after a Hurdle Rate of Return ranging from 6% (six percent) to 12% (twelve percent) per annum is achieved. The Portfolio Manager intends to claim between 10%-40% (ten percent to forty percent) of the upside generated over and above the Hurdle Rate of Return agreed with the Client. All specifics of Portfolio Management Fee for an Investment Approach would be agreed with each Client and set out in more detail in the Fee Schedule of the Marcellus DPMS Agreement.
2. Custodian fee
   These charges relate to the opening and maintenance of Depository Accounts and/or custody fee and charges paid to the Custodian and/or Depository Participant, dematerialization of scrips, Securities lending and borrowing and their transfer charges in connection with the operation and management of the Client's portfolio account and is expected to be in the range of 1- 25 BPS.
3. Fund accounting charges: Up to 5 BPS.
4. Registrar and transfer agent fee
   This is fee payable to the Registrar and Transfer Agent for giving effect to transfers of Securities and may interalia include stamp duty costs, courier, post and notary charge and is expected to be in the range of 10 BPS.
5. Brokerage and transaction cost
   Charged at actuals. These are amounts payable to the broker for opening of an account, execution of transactions on the stock exchange or otherwise for the transfer of Securities and may interalia include service charges, stamp duty costs, GST, STT etc. and is expected to be in the range of 10 BPS
6. Goods and Service Tax or any other statutory levy: As applicable from time to time, charged over and above all fees and charges billed to the Client.
7. Depository Charges: As may be applicable from time to time.
8. Bank Charges: As may be applicable at actuals.
9. Stamp duty: As may be applicable at actuals.
10. Legal costs and professional fees: Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.
11. Incidental expenses:
    Charges in connection with day to day operations like courier expenses, stamp duty, service tax, postal, telegraphic, opening and operation of bank account or any other out of pocket expenses as may be incurred by the Portfolio Manager in the course of discharging his duties to the Client. Provided that, in the event that any out of pocket expenses to be incurred by the Portfolio Manager on behalf of the Client is to exceed 5% of the investment amount of the Client, the Portfolio Manager shall seek prior written consent of the Client before incurring such an expense.
12. Portfolio Manager shall not charge any fees to Clients at the time of onboarding except the specific charges applicable for execution of the agreement and related documents for account opening.
13. Operating expenses excluding brokerage, over and above the fees charged for Portfolio Management Service, shall not exceed 0.50% per annum of the client's average daily Assets under Management (AUM).

Incentive that shall be paid to Introducer for this account (if any):

(Absolute share: for e.g., if fixed fee of 2% and incentive share is 50%, please write fixed fee incentive as 1% (50% of 2%); if performance fee of 20% over 10% hurdle, and incentive share is 50% then please write Performance Fee Incentive as 10%)

Fixed Fee Incentive: _____% Performance Fee Incentive: _____% Performance Hurdle: _____%

All Holders Signature

1st Applicant _____ 2nd Applicant _____ 3rd Applicant _____

Notes to fees:

*Fixed Fee computed as % Per Annum of the Net Asset Value[1] - charged Quarterly[2]

** subject to a High Water Mark - charged Annually[3] (No Catch-up)

[1]Net Asset Value based on average daily NAV over the course of the computation period.

[2]End of calendar quarter (31-Mar, 30-Jun, 30-Sep, 31-Dec). Pro-rata for the first computation period.

[3]12-months from the Account Activation Date, Account Activation Anniversary Date or 31st March as the case may be

If client makes partial redemptions out of PMS account, changes fee structure, switches to a different distributor or direct code or closes the PMS account before the billing date for Fixed Fee Billing Period or Performance Fee Billing Period, then, pro-rata fees and charges as per existing fees structure would be billed and recovered for the period between Last billing date/Account Activation Date / Account Activation Anniversary Date (as the case may be) and Date of redemption / change of distributor/ account closure/switch. This billing and recovery of fees and charges would happen at the time of giving effect to such change in Client account.

Definitions used in Fee Schedule:

"Account Activation Date" means the date on which a unique Client code is generated by the Portfolio Manager.

"Account Activation Anniversary Date" means the 12 (twelve) month anniversary of the Account Activation Date and every 12 (twelve) month anniversary, thereafter

"Fixed Fee" means a fixed fee payable by the Client to the Portfolio Manager for DPMS Services as further specified in the Fee Schedule.

"Fixed Fee Billing Period" means the frequency at which the Fixed Fees will be payable by the Client to the Portfolio Manager as set out in this Fee Schedule .

"Hurdle Rate of Return" shall mean a certain agreed level of return (as specified in the Fee Schedule) achieved in a Performance Fee Billing Period calculated on the relevant Performance Fee Billing Period's opening NAV.

"Net Asset Value" or **"NAV"** for any given day in respect of any Client account will be calculated by aggregating the following:

a) The total market value of all Securities in client's account as on the end of the day,

b) Cash/Bank balance in client's account as at the end of the day,

c) All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,

d) all receivables and payables due from / to the Client at the end of the day;

and reducing from this aggregate all the charges, fees, expenses, statutory levies and other costs payable by the Client as per the Fee Schedule.

"Performance Fee" shall mean a performance linked fee payable by the Client to the Portfolio Manager for the DPMS Services ,as further specified in the Fee Schedule that will be payable if the Portfolio Manager achieves a rate of return that is greater than the Hurdle Rate of Return for the relevant Performance Fee Billing Period subject to the High Water Mark for the relevant Performance Fee Billing Period.

"Performance Fee Billing Period" means a 12-months period from the Account Activation Date or Account Activation Anniversary Date, as the case may be.

If client has understood the fee calculations, client to write **"I have understood the fee clause and computation of fee charged by Portfolio Manager for the Discretionary Portfolio Investment Management Services"** and sign below.

The parties have caused these schedules forming part of Marcellus Discretionary Portfolio Investment Management Service Agreement to be signed on the day and year and manner hereinafter mentioned.

Name : First Applicant	Name : Second Applicant	Name : Third Applicant

Place _____

Date | D | D | M | M | Y | Y | Y | Y |

Schedule 3.2: Illustrations for fee computation under different fee structures for Consistent Compounders Investment Approach

Illustration A: Fixed fees of 2% of Net Asset Value (with NAV calculated based on average daily NAV over the course of the quarter)			
Assumptions: Size of sample portfolio: Rs 50,00,000, Period: 1 year , Upfront fees: Nil, Performance fees: Nil, Fixed fees: 2% of the daily average NAV , Frequency of fee charging: Quarterly			
Nature of fees	**Scenario 1: Gain of 20%**	**Scenario 2: Loss of 20%**	**Scenario 3: No change**
	Amount in Rs	Amount in Rs	Amount in Rs
Capital contribution	**50,00,000**	**50,00,000**	**50,00,000**
Less: upfront fees	0	0	0
Less: any other fees	0	0	0
Assets under management (AUM)	50,00,000	50,00,000	50,00,000
Add/Less: Profit/Loss on investment during the year of 20% of AUM	10,00,000	10,00,000	0
Less: brokerage/DP charges/any other charges*	0	0	0
Less: fixed fees of 2% per annum**	1,20,000	80,000	1,00,000
Less: performance fees	0	0	0
Total charges during the year	1,20,000	80,000	1,00,000
Net Asset Value (NAV) of the portfolio at year end	**58,80,000**	**39,20,000**	**49,00,000**
% change over capital contributed	17.60%	-21.60%	-2.00%

Illustration B: Fixed fee of 1% of the Net Asset Value (with NAV calculated based on average daily NAV over the course of the quarter) plus Performance fee of 15% on all returns in excess of 12% subject to a high watermark			
Assumptions: Assumptions: Size of sample portfolio: Rs 50,00,000, Period: 1 year , Upfront fees: Nil, Hurdle rate: 12%, Performance fees: 15% of all returns in excess of the hurdle rate (subject to a high watermark), Fixed fees: 1% of the daily average NAV ,Frequency of fee charging: Yearly for variable fees & quarterly for fixed fees.			
Nature of fees	**Scenario 1: Gain of 20%**	**Scenario 2: Loss of 20%**	**Scenario 3: No change**
	Amount in Rs	Amount in Rs	Amount in Rs
Capital contribution	**50,00,000**	**50,00,000**	**50,00,000**
Less: upfront fees	0	0	0
Less: any other fees	0	0	0
Assets under management (AUM)	50,00,000	50,00,000	50,00,000
Add/Less: Profit/Loss on investment during the year of 20% of AUM	10,00,000	10,00,000	0
Less: brokerage/DP charges/any other charges*	0	0	0
Less: fixed fees of 1% per annum**	60,000	40,000	50,000
Less: performance fees***	51,000#	0#	0#
Total charges during the year	1,11,000	40,000	50,000
Net Asset Value (NAV) of the portfolio at year end	**58,89,000**	**39,60,000**	**49,50,000**
% change over capital contributed	17.78%	-20.80%	-1.00%

Assumptions:

* for illustrative purposes only. In reality, brokerage and DP charges will be around 15-20bps whilst custody & fund accounting charges will be around 5-10 bps.

** for illustrative purposes only. In reality, fixed fees will be charged each quarter based on the average daily NAV in that quarter (rather than on the year ending NAV).

*** charging 15% of all returns in excess of 12%.

#This is for illustration purposes only. The actual performance fees on a client's account will be computed on the returns generated after charging all sorts of fixed fees as well as expenses.

All Holders Signature

1st Applicant | 2nd Applicant | 3rd Applicant

Schedule 3.2: Illustrations for fee computation under different fee structures for Consistent Compounders Investment Approach

Illustration C: Performance fee of 20% on all returns in excess of 8% subject to a high watermark			
Assumptions: Size of sample portfolio: Rs 50,00,000, Period: 1 year , Upfront fees: Nil, Hurdle rate: 8%, Performance fees: 20% of all returns in excess of the hurdle rate (subject to a high watermark),Frequency of fee charging: Yearly for variable fees & quarterly for fixed fees.			
Nature of fees	**Scenario 1: Gain of 20%**	**Scenario 2: Loss of 20%**	**Scenario 3: No change**
	Amount in Rs	Amount in Rs	Amount in Rs
Capital contribution	**50,00,000**	**50,00,000**	**50,00,000**
Less: upfront fees	0	0	0
Less: any other fees	0	0	0
Assets under management (AUM)	50,00,000	50,00,000	50,00,000
Add/Less: Profit/Loss on investment during the year of 20% of AUM	10,00,000	10,00,000	0
Less: brokerage/DP charges/any other charges*	0	0	0
Less: fixed fees	0	0	0
Less: performance fees##	1,20,000#	0#	0#
Total charges during the year	1,20,000	0	0
Net Asset Value (NAV) of the portfolio at year end	**58,80,000**	**40,00,000**	**50,00,000**
% change over capital contributed	17.60%	-20.00%	0.00%

Assumptions:

* for illustrative purposes only. In reality, brokerage and DP charges will be around 15-20bps whilst custody & fund accounting charges will be around 5-10 bps.

** for illustrative purposes only. In reality, fixed fees will be charged each quarter based on the average daily NAV in that quarter (rather than on the year ending NAV).

charging 20% of all returns in excess of 8%.

#This is for illustration purposes only. The actual performance fees on a client's account will be computed on the returns generated after charging all sorts of fixed fees as well as expenses.

Name : First Applicant	Name : Second Applicant	Name : Third Applicant

Place_____

Date D D M M Y Y Y Y

Schedule 3.3: Additional* Illustration to explain Performance Fee computation over a multi-year investment period.**

Assumptions: Size of Sample Portfolio: INR 50,00,000/- , Period: 5 years, Hurdle Rate: 8% , Performance Fees: 20%					
Return	**-10.00%**	**25.00%**	**5.00%**	**25.00%**	**20.00%**
Particular/Year	**1**	**2**	**3**	**4**	**5**
Opening AUM	50,00,000	45,00,000	55,00,000	57,75,000	70,22,400
High Watermark (HWM)	50,00,000	50,00,000	56,25,000	56,25,000	72,18,750
Base for computing hurdle	50,00,000	45,00,000	55,00,000	57,75,000	70,22,400
Hurdle AUM**	54,00,000	48,60,000	59,40,000	62,37,000	75,84,192
Higher of HWM and Hurdle	54,00,000	50,00,000	59,40,000	62,37,000	75,84,192
Profit / Loss for the year	(5,00,000)	11,25,000	2,75,000	14,43,750	14,04,480
Pre- fees AUM (Year end)	45,00,000	56,25,000	57,75,000	72,18,750	84,26,880
HWM crossed?	No	Yes	Yes	Yes	Yes
Hurdle crossed?	No	Yes	No	Yes	Yes
Fees	0	1,25,000	0	1,96,350	1,68,538
Ending AUM	**45,00,000**	**55,00,000**	**57,75,000**	**70,22,400**	**82,58,342**
Fees as % of Average AUM	0.00%	2.47%	0.00%	3.02%	2.18%

Assumptions:

Notes:

** Hurdle AUM is computed by multiplying the Hurdle Rate of Return with the post fees opening AUM for the relevant year

***Please note that this illustration does not demonstrate charges like broker fees etc. as the purpose of this illustration is to bring clarity to the Client on the methodology of performance fees calculation over multiple years scenario. We have provided this illustration in addition to the SEBI prescribed format (refer the table titled as Regulatory Illustration above) as the SEBI prescribed format only provides calculation mechanism in a one year scenario than multiple years.

Name : First Applicant	Name : Second Applicant	Name : Third Applicant

Place _____

Date D D M M Y Y Y Y

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