

- 1) **What is STP (Systematic Transfer Plan)** – STP is an automated way of moving (transferring) money from one fund to another. The most common way an STP is done by transferring money from a debt fund to an equity fund. Using STP Product clients can stagger their investment in tranches spread over 5 months.
- 2) **What is the minimum / maximum number of instalments / amount allowed for STP?** – Each instalment will be 20% of the total capital amount. So in this way there will be only 5 instalments. 1st tranche of 20% will be deployed immediate month and subsequent will happen in another 4 months. Hence only 20% & 5 equated tranche investment will be made.
- 3) **How to set up STP for a Marcellus CCP or KCP fund?**
Form Requisites for STP ?

New Clients:

1. PMS & Demat Booklet along with KYC documents
2. STP Cum Switch Request Form
3. Liquid STP Investment Approach
4. Corresponding Switch Equity Investment Approach (CCP/KCP) etc.
5. In the PMS AOF in Product Section should be mentioned as “Liquid STP’ & Sub-Product as “Switch to KCP/CCP” (Only One Product)

INVESTMENT MODE & DETAILS			
<input type="checkbox"/> Cheque / Bank Transfer <input type="checkbox"/> Stock Transfer <input type="checkbox"/> Partial stock & Cash			
Investment Amount	Cheque/UTR No./DP Client ID	Bank/Depository Name	Instrument Date
Product Name	Sub Product	Amount to be invested	Remarks
Liquid STP	Switch to CCP/KCP		

Existing Client Investing in Liquid STP: Important point to note for Existing client –

- ✓ If client has signed PMS agreement Version 3 or latest versions released after Version 3 and has submitted a Marcellus POA as well then they only need to submit
 1. STP Cum Switch Request Form
 2. Liquid STP Investment Approach
 3. Corresponding Switch Equity Investment Approach (CCP/KCP) etc.
 4. This transaction should be considered as Additional investment in new strategy by new Client and ensure KRA compliance.
- ✓ If client is on any older version then he needs to New Clients Documentation Checklist mentioned above.
(PMS agreement + Marcellus POA + STP form + Liquid fund investment approach + Liquid fund fee schedule)

Processing of Physical Forms:

Both New & Existing processing will be sourced through Onboarding Journey, on receipt of Physical documents at Marcellus premises. Due to Investment approach involved here no scan process is permissible.

- 4) **How will STP work ?** – On the day of funding 20% of the total capital will be mapped for deployment into the equity fund. This will be the 1st instalment.

The balance amount will be parked in liquid fund.

The next 4 instalments will be deployed around 20th of the subsequent months.

The redemption from Liquid will be made before 20th so that the proceeds can be received and deployed by 20th. However in case of delay in receipt of proceeds from the Liquid fund or a non-business day falling on 20th, the deployment will be done on the subsequent business day.

Tranche	Date	Investment in STP of Liquid Fund	Redemption instructions for STP	Redemption proceeds in bank	Switch to Equity PMS	Intended deployment in Equity PMS
Cash of 50 lakhs	01-Dec-20	2 Dec-20 – 40 Lakhs				2 Dec-20 – 10 Lakhs
Tranche 1 STP	18-Jan-20		18 Jan-20 – 10 lakhs	19/20 Jan-20	19/20 Jan-20	20/21 Jan-20 – 10 Lakhs
Tranche 2 STP	18-Feb-20		18 Feb-20– 10 lakhs	19/20 Feb-20	19/20 Feb-20	20/21 Feb-20 – 10 Lakhs
Tranche 3 STP	18-Mar-20		18 Mar-20– 10 lakhs	19/20 Mar-20	19/20 Mar-20	20/21 Mar-20 – 10 Lakhs
Tranche 4 STP	18-Apr-20		18 Apr-20– Remaining units	19/20 Apr-20	19/20 Apr-20	20/21 Apr-20 – 10 Lakhs

- 5) **Can client decide the amount of instalment by his own?** No. only 20% & 5 equated tranche investment is available.
- 6) **Can client set up a 10 months STP instead of 5 ?** No. only 20% & 5 equated tranche investment is available.
- 7) **Is there any type of fee or charge involved in STP ?**- The money is parked in a Liquid fund and there is fixed fee applicable. (2% p.a – Regular client, 1.5% p.a Direct client)
- 8) **Are there any Operating charges for STP** – Operating charges for STP will consist of 2bps of Custody & 3 bps of Fund Accounting and will be charged quarterly. Franking/Notarisation or Audit charges will not be levied .
- 9) **Will client have access online to the liquid fund ?** – Yes . In Portfolio holding statement client can view the Liquid fund and performance on their Marcellus Online portal.
- 10) **Will client have a separate PMS code for Liquid fund ?** – Yes. Each Liquid Portfolio Code will be unique and Equity Investment code will be separate. Also each Code online login will be separate and not consolidate of each client.

- 11) **Can existing client do TOP ups using STP?** – Yes but ideally we should promote existing clients to avoid the STP mode because they will unnecessarily end up paying fixed fee on the liquid fund. Which they can easily avoid by doing monthly remittance of 5 lakhs by themselves.
- 12) **Can Existing Client Switch to Liquid STP?** Switch from the existing Equity Product to Liquid is not permissible.
- 13) **While a monthly STP is in place , can the client do additional investments on any particular day of the month/year.** – Yes. Client can do additional funding while the STP is in place. It will be deployed as per BAU process as it will be considered as any normal top in a Portfolio. Please note that any STP done during the tenure of 1+4 months will be considered as additional in same Liquid strategy . Any additional STP made after 1+4 months of tenure, Client will have to follow the Existing Client Investing in Liquid STP Process.
- 14) **Can the client redeem in between his STP orders ?** – Yes. Only Full redemption can be made in Liquid STP, Part redemption is not permissible in Liquid Strategy. Minimum Residual investment of Rs.50 lacs will be applicable here.
- 15) **Can NRI client opt in for STP** – Yes. NRI clients can opt in for STP option. However please note the money will be parked in their NR Bank account and not in Liquid fund.
- 16) **Can existing clients stop STP in between?** Yes . The client if needed can choose to stop STP. In this case the remaining balance of the Liquid fund will be deployed into equity.
- 17) **Where will the money be parked** – The STP funds will be parked in HDFC Overnight Fund - Growth Option - Direct Plan .
- 18) **Why the Last tranche of instalment is more than 20% of the capital invested?** 5th Instalment will also include the accumulated returns generated in the Liquid Portfolio. Hence the last tranche amount is more than 20% of capital.