

Schedule 3 - Consistent Compounders Investment Approach

Investment Objective	To generate sustainable returns over medium to long term by making investments which primarily comprise of equity securities.							
Description of Securities	Under Consistent Compounders, client monies would primarily be invested in equity shares and equity linked instruments issued by companies which are listed in India. Some part of client monies might be invested in units of money market and liquid funds and some part might be retained as bank balance in bank account.							
Basis of Selection of type of security	The Consistent Compounders investment approach is based on generating returns by investing in participating instruments of companies which have a proven track record of steady growth in revenues alongside the ability to consistently deliver a return on capital employed in excess of the cost of capital. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India. To keep some part of client monies in liquid form, such monies are either invested in units of money market funds or liquid fund or they are retained in the bank account in form of bank balance.							
Allocation of portfolio across types of securities	<table border="1"> <thead> <tr> <th>Type of security</th> <th>Allocation in portfolio</th> </tr> </thead> <tbody> <tr> <td>Equity and equity linked instruments</td> <td>=>70%</td> </tr> <tr> <td>Money market funds / Liquid funds / Bank balance</td> <td>up to 30%</td> </tr> </tbody> </table>	Type of security	Allocation in portfolio	Equity and equity linked instruments	=>70%	Money market funds / Liquid funds / Bank balance	up to 30%	
Type of security	Allocation in portfolio							
Equity and equity linked instruments	=>70%							
Money market funds / Liquid funds / Bank balance	up to 30%							
Appropriate Benchmark to compare performance	Nifty 50 Total Return Index							
Basis for choice of benchmark	Most of the portfolio companies fall in large-cap category based on market capitalisation. Further, the portfolio managers reinvest the dividends received unless the client provides instruction for pay-out of dividend. Hence, Nifty 50 Total Return Index has been selected as the benchmark for comparing performance.							
Minimum investment	The minimum value of Funds/investments which will be accepted towards initial corpus under Consistent Compounders Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than any amount as may be stipulated by the Regulations from time to time. The uninvested amounts forming part of the Client's Assets may be at the discretion of the Portfolio Manager held in cash or deployed in liquid fund schemes, exchange traded index funds, debt oriented schemes of mutual funds, gilt schemes, bank deposits and other short term avenues for investment. The Portfolio Manager may call for the amount in tranches which shall be detailed in a separate Schedule. The Portfolio Manager will, however, be at liberty to call for the amounts payable under the tranches ahead of the dates for payment mentioned in the said Schedule by giving a prior written notice of 10 days to the Client. The Client has the option to pay such amounts ahead of the dates to the Portfolio Manager if he/it deems fit. The minimum value of funds/investments which will be accepted towards any additional investment in Consistent Compounders Investment Approach will be decided by the Portfolio Manager from time to time.							
Indicative tenure or investment horizon	3 years – 20 years							
Minimum tenure/Lock-in period/ Exit loads	Minimum tenure not applicable under this investment approach / DPMS Investments managed under Consistent Compounders Investment Approach shall not be subject to any lock-in period / There shall be no levy of exit load on withdrawal of monies being managed under this approach.							
Redemptions / Partial withdrawals	Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, and payment of withdrawal amount is not less than the minimum investment specified in the Minimum investment clause in this schedule							
Use of derivatives	The Portfolio Manager might transact in derivatives in case it deems it necessary to protect the value of client's portfolios in periods of market instability. If the client does not want the Portfolio Manager to use derivatives at all in his/her portfolio, then, he/she can mention Derivatives as a negative security in the account opening form and the Portfolio Manager would be barred from using derivatives in the client's portfolio							

Risks associated with the investment approach

Risks associated with the investment approach

The investments made in Securities are subject to market risk and there is no assurance or guarantee that the objectives of investments will be achieved, and the Portfolio Manager has no liability for any losses resulting from the Client availing of the Portfolio Management Services. The following are the current risk factors as perceived by management of the Portfolio Manager. This list is not intended to be exhaustive in nature and is merely intended to highlight certain risks that are associated with investing in Securities:

- (I) Investment in equities, derivatives and mutual funds and Exchange Traded Index Funds are subject to market risks and there is no assurance or guarantee that the objective of investments will be achieved.
- (ii) As with any investment in Securities, the Net Asset Value of the portfolio can go up or down depending upon the factors and forces affecting the capital markets.
- (iii) The performance of the portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.
- (iv) The past performance of the Portfolio Manager does not indicate its future performance. Investors are not being offered any guaranteed returns.
- (v) The performance of the Assets of the Client may be adversely affected by the performance of individual Securities, changes in the marketplace and industry specific and macro-economic factors. The investment approaches are given different names for convenience purpose and the names of the approaches do not in any manner indicate their prospects or returns.
- (vi) Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk. Interest rate risk results from changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. Consequently, the Net Asset Value of the portfolio may be subject to fluctuation.
- (vii) Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.
- (viii) The Portfolio Manager may invest in non-publicly offered debt securities and unlisted equities. This may expose the Client's portfolio to liquidity risks.
- (ix) Engaging in Securities lending is subject to risks related to fluctuations in collateral value/settlement/liquidity/counter party. The Portfolio Manager may use derivatives instruments like index futures, stock futures and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Portfolio to certain risks inherent to such derivatives. As and when the Portfolio Manager deals in the derivatives market on behalf of the Client, there are risk factors and issues concerning the use of derivatives that investors should understand.
- (x) Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself.
- (xi) Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party

All Holders Signature

- (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value.
- (xii) Re-investment Risk: This risk refers to the interest rate levels at which cash flows received from the Securities under a particular portfolio are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
 - (xiii) There are inherent risks arising out of investment objectives, investment approach, asset allocation and non-diversification of portfolio.
 - (xiv) Prepayment risk: there may be unscheduled return of principal on a particular Security, which may result in a reinvestment risk.
 - (xv) Credit Risk: Credit risk or default risk refers to the risk that an issuer of a fixed income Security may default. Because of this risk corporate debentures are sold at a higher yield above those offered on Government Securities which are sovereign obligations and free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the changes in the perceived level of credit risk as well as any actual event of default.
 - (xvi) The Net Asset Value may be affected by changes in settlement periods and transfer procedures.
 - (xvii) Risks related to index linked securities: Performance of the reference index will have a direct bearing on the performance of the strategy. In the event the reference index is dissolved or withdrawn by the Index Provider; in case of Securities such as debentures, the debenture trustees upon request by the issuer may modify the terms of issue of the debentures so as to track a different and suitable index. Tracking errors are also inherent in any equity linked security and such errors may cause the equity index-linked security to generate returns which are not in line with the performance of the reference index or one or more Securities covered and/or included in the reference index.
 - (xviii) Risks pertaining to investments in Gold ETF's will be as provided in the disclosure document of the Portfolio Management Services. However, some of the specific risks may include market risks, currency risks, counter party risk, liquidity risk and loss of physical gold.
 - (xix) Currency Exchange Rate Risk: The Client's portfolio may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the price of the Client's portfolio Securities or in foreign exchange rates or prevent losses if the prices of these Securities should decline. Performance of the Client's Portfolio may be strongly influenced by movements in foreign exchange rates because currency positions held by the Client's portfolio may not correspond with the Securities positions held.
 - (xx) In case of investments in mutual fund, the Client bear the recurring expenses of the Portfolio Manager in addition to the expenses of the underlying mutual fund schemes. Hence, the Client may receive lower pre-tax returns compared to what the Client may have received had he invested directly in the underlying Securities of the mutual fund schemes.
 - (xxi) After accepting the corpus for management, the Portfolio Manager may not get an opportunity to deploy the same or there may be a delay in deployment. In such a situation the Client may suffer opportunity loss.
 - (xxii) Risks associated with investment in equity instruments using Quantitative Analysis/ Quant Model: Some of the Risks attached with Quantitative Analysis are: (i) Market Risk: Like any other equity investments, these are subject to market risk. (ii) Modelling Error: Quant models are subject to price and volume inputs. It is possible that some of these inputs are entered incorrectly. The quant model selected by the Portfolio Manager may not perform as tested; such a scenario is entirely possible and would result in a loss. (iii) Deviation from theoretical model: A quant model is theoretical in nature, however at times the market may act unexpectedly resulting in a loss, the quant model cannot account for any such market behaviour. The quant model may initiate a sell signal; however, the stock may not have adequate liquidity at that moment forcing the portfolio manager to further drive down the stock price.
 - (xxiii) Spread risk: Investments in corporate bonds are exposed to the risk of widening of the Spread between corporate bonds and gilts. Prices of corporate bonds tend to fall if this spread widens which will affect the Strategy accordingly.
 - (xxiv) Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer.
 - (xxv) Risks related to Special Situations: Special situation trades are subject to all risks under equity; however, in certain cases the risks can be specific as are mentioned: (i) The promoter may choose not to accept the discovered prices (ii) Regulatory hurdles may delay any specific corporate action.
 - (xxvi) Risk Associated with Securitized Debt: Securitized debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.
 - (xxvii) Risk factor specifically while using Options: The Portfolio Manager might buy options to enhance yield. In buying options the profit potential is unlimited, whereas the maximum risk is the premium paid to buy the options. The Portfolio Manager may use Derivatives instruments like equity futures & options, or other Derivative instruments as permitted under the Regulations and guidelines. Usage of Derivatives will expose the strategies to liquidity risk, open position risk, and opportunities risk etc. Such risks include the risk of mispricing or improper valuation and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices. In case of the Derivative strategies, it may not be possible to square off the cash position against the corresponding Derivative position at the exact closing price available in the Value Weighted Average Period.
 - (xxviii) Risk factors associated with Derivatives: Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the Investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. Identification and execution of the strategies to be pursued by the Portfolio Manager involve uncertainty and the decision of Portfolio Manager may not always be profitable. No assurance can be given that the Portfolio Manager will be able to identify or execute such strategies. The risks associated with the use of Derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Trading in derivatives has the following risks: (i) An exposure to Derivatives in excess of the hedging requirements can lead to losses. (ii) An exposure to Derivatives, when used for hedging purpose, can also limit the profits from a genuine investment transaction. (iii) Derivatives carry the risk of adverse changes in the market price. (iv) Illiquidity Risk i.e. risk that a Derivative trade may not be executed or reversed quickly enough at a fair price, due to lack of liquidity in the market.
 - (xxix) The risks of investing in equity instruments include share price falls, receiving no dividends or receiving dividends lower in value than expected. They also include the risk that a company restructure may make it less profitable.
 - (xxx) Equity instruments face market volatility risk: Stock market tends to be very volatile in the short term. Even if fundamentals of the underlying companies do not materially change in the short term, volatility in the broader stock market can result in volatility in share prices of stocks forming part of the Client's portfolio
 - (xxxi) Equity instruments face fundamental risk: If fundamentals of the companies chosen by the Portfolio Manager deteriorate over time, there is no guarantee or assurance that the Portfolio Manager's analysts and fund managers will be able to identify such deterioration in fundamentals and take appropriate action in a timely manner which could lead to higher volatility and a lower return from the portfolio companies.
 - (xxxii) Equity instruments face macro-economic and geo-political risks: Sudden changes to the macro-economic and geo-political environment within which Portfolio Manager's companies operate, could lead to increase in volatility of share prices of these companies.

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

Place _____

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

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.

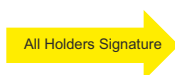
Discretionary (Fixed Fees Only) <input type="checkbox"/>	Fixed fee* at 2% Per Annum of the Net Asset Value ¹ - charged Quarterly ²
Discretionary (Fixed and Performance fees) <input type="checkbox"/>	Fixed fee* at 1% Per Annum of the Net Asset Value ¹ - charged Quarterly ² Plus Performance Fee** at 15% 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) <input type="checkbox"/>	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

<p>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.</p>
<p>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.</p>
<p>3. Fund accounting charges: Up to 5 BPS.</p>
<p>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.</p>
<p>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</p>
<p>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.</p>
<p>7. Depository Charges: As may be applicable from time to time.</p>
<p>8. Bank Charges: As may be applicable at actuals.</p>
<p>9. Stamp duty: As may be applicable at actuals.</p>
<p>10. Legal costs and professional fees: Costs incurred for documentation, certifications, attestation and instituting or defending legal suits, audit fees and other similar charges.</p>
<p>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.</p>
<p>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.</p>
<p>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).</p>

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: _____%



Notes to fees:

*Fixed Fee computed as % Per Annum of the Net Asset Value¹ - charged Quarterly²

** subject to a High Water Mark - charged Annually³ (No Catch-up)

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

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

³12-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

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%

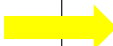
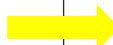
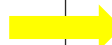



Assumptions:

* 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.**

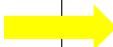
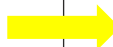
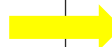



Assumptions: Size of Sample Portfolio: INR 50,00,000/- , Period: 5 years, Hurdle Rate: 8% , Performance Fees: 20%					
Return	-10.00%	25.00%	5.00%	25.00%	20.00%
Particular/Year	1	2	3	4	5
Opening AUM	50,00,000	45,00,000	55,00,000	57,75,000	70,22,400
High Watermark (HWM)	50,00,000	50,00,000	56,25,000	56,25,000	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
---	---	---	---	---	---	---	---