

### REQUEST FOR CHANGE OF FEE STRUCTURE

ACCOUNT CODE (e.g. CCPXX): \_\_\_\_\_

REQUEST DATE: \_\_\_\_\_

I / We request you to please change the fee structure of my / our below mentioned account as per the Fee Schedule attached with this form.

ACCOUNT NAME : \_\_\_\_\_

STRATEGY NAME : \_\_\_\_\_

CURRENT FEE PLAN : \_\_\_\_\_

I/We understand that this request can be implemented only once in a year / billing period i.e (March 31 or my/our account activation anniversary date (as the case may be) and will be effective from the next billing cycle starting from April 1 or the account activation anniversary date, as the case may be.

Name and Signature: First Applicant	Name and Signature: Second Applicant	Name and Signature: Third Applicant

**Notes:**

- 1) Please sign on all pages in the space provided.
- 2) All Signatures should match with the signature done on Account Opening documents.
- 3) Please handwrite the fee clause selected on page 2 in the box provided.
- 4) Effective date of the new fee structure will be from T+2 days of receiving the request. Fee as per the old rate will be computed pro rata until T+1 day.
- 5) Timeline to process your request is T + 4 working days.
- 6) Please note First day and last day of the months are considered as black out day and would not be considered while giving an effect to the new fee structure. For e.g if the request is received on 30<sup>th</sup> of October then effective date of new fee structure will be 3<sup>rd</sup> of November.

**SCHEDULE 3.1: Fee structures and list of charges for Consistent Compounders Investment Approach (Advisory)**

Please Tick (✓) in anyone of the Fee Structure of your choice.


Discretionary (Fixed Fees Only) <input type="checkbox"/>	<b>Fixed fee*</b> at 1% Per Annum of the Net Asset Value <sup>1</sup> - charged Quarterly <sup>2</sup>
Discretionary (Fixed and Performance fees) <input type="checkbox"/>	<b>Fixed fee*</b> at 0.50% Per Annum of the Net Asset Value <sup>1</sup> - charged Quarterly <sup>2</sup> <b>Plus</b> <b>Performance Fee**</b> at 7.5% 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 <sup>3</sup>
Discretionary (Performance fees only) <input type="checkbox"/>	<b>Performance Fee**</b> at 10.0% 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 <sup>3</sup>

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 

**Notes to fees:**

\*Fixed Fee computed as % Per Annum of the Net Asset Value<sup>1</sup> - charged Quarterly<sup>2</sup>

\*\* subject to a High Water Mark - charged Annually<sup>3</sup> (No Catch-up)

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

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

<sup>3</sup>12-months from the Account Activation Date, Account Activation Anniversary Date or 31<sup>st</sup> 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:



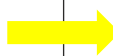

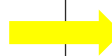

- a) The total market value of all Securities in client's account as on the end of the day,
  - b) Cash/Bank balance in client's account as at the end of the day,
  - c) All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,
  - d) all receivables 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
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**Schedule 3.2: Illustrations for fee computation under different fee structures for Consistent Compounders Investment Approach****Illustration A: Fixed fees of 1% 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: 1% 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 1% per annum**	60,000	40,000	50,000
Less: performance fees	0	0	0
Total charges during the year	60,000	40,000	50,000
<b>Net Asset Value (NAV) of the portfolio at year end</b>	<b>59,40,000</b>	<b>39,60,000</b>	<b>49,50,000</b>
% change over capital contributed	18.80%	-20.80%	-1.00%

**Illustration B: Fixed fee of 0.50% of the Net Asset Value (with NAV calculated based on average daily NAV over the course of the quarter) plus Performance fee of 7.5% on all returns in excess of 12% subject to a high watermark**

**Assumptions:** Size of sample portfolio: Rs 50,00,000, Period: 1 year , Upfront fees: Nil, Hurdle rate: 12%, Performance fees: 7.5% of all returns in excess of the hurdle rate (subject to a high watermark), Fixed fees: 0.50% 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 0.50% per annum**	30,000	20,000	25,000
Less: performance fees***	27,750 <sup>#</sup>	0 <sup>#</sup>	0 <sup>#</sup>
Total charges during the year	57,750	20,000	25,000
<b>Net Asset Value (NAV) of the portfolio at year end</b>	<b>59,42,250</b>	<b>39,80,000</b>	<b>49,75,000</b>
% change over capital contributed	18.85%	-20.40%	-0.50%

**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 7.5% of all returns in excess of 12%.

<sup>#</sup>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

**Illustration C: Performance fee of 10% 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: 10% of all returns in excess of the hurdle rate (subject to a high watermark), Fixed fees: Nil 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	0	0	0
Less: performance fees <sup>##</sup>	60,000 <sup>#</sup>	0 <sup>#</sup>	0 <sup>#</sup>
Total charges during the year	60,000	0	0
<b>Net Asset Value (NAV) of the portfolio at year end</b>	<b>59,40,000</b>	<b>40,00,000</b>	<b>50,00,000</b>
% change over capital contributed	18.80%	-20.00%	0.00%



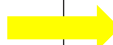

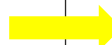

**Assumptions:**

\* 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).

<sup>##</sup> charging 10% of all returns in excess of 8%.

<sup>#</sup>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
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**Schedule 3.3: Additional\*\*\* Illustration to explain Performance Fee computation over a multi-year investment period.**


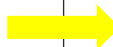
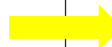



<b>Assumptions:</b> Size of Sample Portfolio: INR 50,00,000/- , Period: 5 years, Hurdle Rate: 8% , Performance Fees: 10%					
<b>Return</b>	<b>-10.00%</b>	<b>25.00%</b>	<b>5.00%</b>	<b>25.00%</b>	<b>20.00%</b>
<b>Particular/Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Opening AUM	50,00,000	45,00,000	55,62,500	58,40,625	72,01,491
High Watermark (HWM)	50,00,000	50,00,000	56,25,000	56,25,000	73,00,781
Base for computing hurdle	50,00,000	45,00,000	55,62,500	58,40,625	72,01,491
Hurdle AUM**	54,00,000	48,60,000	60,07,500	63,07,875	77,77,610
Higher of HWM and Hurdle	54,00,000	50,00,000	60,07,500	63,07,875	77,77,610
Profit / Loss for the year	(5,00,000)	11,25,000	2,78,125	14,60,156	14,40,298
Pre- fees AUM (Year end)	45,00,000	56,25,000	58,40,625	73,00,781	86,41,789
HWM crossed?	No	Yes	Yes	Yes	Yes
Hurdle crossed?	No	Yes	No	Yes	Yes
Fees	0	62,500	0	99,291	86,418
<b>Ending AUM</b>	<b>45,00,000</b>	<b>55,62,500</b>	<b>58,40,625</b>	<b>72,01,491</b>	<b>85,55,371</b>
Fees as % of Average AUM	0.00%	1.23%	0.00%	1.51%	1.09%

**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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