

### 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 4.1 - Fee structures and list of charges for Little Champs Investment Approach (Partner)**

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

Portfolio Management Service	Particulars/Conditions of fees to be charged	Periodicity with which fees will be levied
<b>Discretionary (Combination of fixed and variable fee)</b>	<p>Fixed fee of 1.5% p.a. of the Net Asset Value (with NAV calculated based on average daily NAV over the course of the quarter)</p> <p>And</p> <p>Variable fee –</p> <p>i) For first computation period – 20% of all returns in excess of the Hurdle Rate of 10% p.a. (No Catch up).</p> <p>ii) For subsequent computation periods – 20% of all returns in excess of the Hurdle Rate of 10% p.a. (No Catch up) subject to a High Watermark principle.</p>	<p>Fixed fee - on Calendar Quarter basis*</p> <p>Variable fee –</p> <p>i) First computation period* would be 3 years from date of first investment in Little Champs PMS</p> <p>ii) Subsequent computation periods*, variable fee shall be charged on annual basis at each anniversary</p> <p>Note:- * In case of withdrawals before computation date, all fees shall be charged on pro-rata basis for the relevant period.</p>

**1. 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- 20BPS.

**2. 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.**



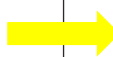

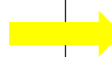

If client makes partial redemptions out of PMS account, changes fee structure, switches to a different distributor or direct code or closes the PMS account before the billing date for Fixed Fee Billing Period or Performance Fee Billing Period, then applicable fees and charges as per existing fees structure 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.

If client has understood the fee calculations, client to write **"I have understood the fees/charges for the 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.

**Declaration :**

I/We understand that restriction of securities provided for previous Investment approaches/products, shall apply to this investment approach if the First Applicant is the same.

 First Applicant Sign 	 Second Applicant Sign 	 Third Applicant Sign 
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Place \_\_\_\_\_

Date

D	D	M	M	Y	Y	Y	Y
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**Schedule 4.2: Illustrations for fee computation under different fee structures for Little Champs Investment Approach.** The tables provided in this Schedule are provided only for the purpose of illustrating the effects of the fees charged by the Portfolio Manager. These tables are not in any way indicative or representative of actual returns nor do they represent fees that the client may pay to third parties. Actual Performance Fees will be computed and charged on returns generated after the payment of expenses and third-party fees.

<b>Illustration 1: For investors not withdrawing AUM before expiry of lock-in period</b>	
The assumptions for the illustration are as follows:	
-Size of sample portfolio: Rs. 50,00,000 -Period: 4 years -Upfront fees: Nil Hurdle rate: 10% p.a.	-Marcellus' Profit share above hurdle rate: 20% -Fixed fees: 1.5% p.a. of the daily average NAV

**Scenario 1 - Positive returns**

Return	20.00%	20.00%	20.00%	20.00%
Year	1	2	3	4
Opening capital	50,00,000	59,17,500	70,03,361	79,61,782
Add profit	10,00,000	11,83,500	14,00,672	15,92,356
Less: brokerage any other charges*	-	-	-	-
<b>Pre- fees AUM</b>	<b>60,00,000</b>	<b>71,01,000</b>	<b>84,04,034</b>	<b>95,54,139</b>
<b>High Water Mark</b>				82,88,478
Hurdle AUM	55,00,000	60,50,000	66,55,000	87,57,961
Management Fees**	82,500	97,639	1,15,555	1,31,369
<b>Post Management Fees AUM</b>	<b>59,17,500</b>	<b>70,03,361</b>	<b>82,88,478</b>	<b>94,22,770</b>
Performance Fees***	-	-	3,26,696	1,32,962
<b>Post Performance Fees AUM</b>	<b>59,17,500</b>	<b>70,03,361</b>	<b>79,61,782</b>	<b>92,89,808</b>
Ending AUM	59,17,500	70,03,361	79,61,782	92,89,808
<b>Fees a % of Average AUM</b>	<b>1.50%</b>	<b>1.50%</b>	<b>5.70%</b>	<b>3.00%</b>

**Scenario 2 - Nil returns**

Return	0.00%	0.00%	0.00%	0.00%
Year	1	2	3	4
Opening capital	50,00,000	49,25,000	48,51,125	47,78,358
Add profit	-	-	-	-
Less: brokerage any other charges*	-	-	-	-
<b>Pre- fees AUM</b>	<b>50,00,000</b>	<b>49,25,000</b>	<b>48,51,125</b>	<b>47,78,358</b>
<b>High Water Mark</b>				50,00,000
Hurdle AUM	55,00,000	60,50,000	66,55,000	52,56,194
Management Fees**	75,000	73,875	72,767	71,675
<b>Post Management Fees AUM</b>	<b>49,25,000</b>	<b>48,51,125</b>	<b>47,78,358</b>	<b>47,06,683</b>
Performance Fees***	-	-	-	-
<b>Post Performance Fees AUM</b>	<b>49,25,000</b>	<b>48,51,125</b>	<b>47,78,358</b>	<b>47,06,683</b>
Ending AUM	49,25,000	48,51,125	47,78,358	47,06,683
<b>Fees a % of Average AUM</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>

## Scenario 3 - Negative returns

Return	-20.00%	-20.00%	-20.00%	-20.00%
Year	1	2	3	4
Opening capital	50,00,000	39,32,500	30,92,911	24,32,575
Add profit	-10,00,000	-7,86,500	-6,18,582	-4,86,515
Less: brokerage any other charges*	-	-	-	-
<b>Pre- fees AUM</b>	<b>40,00,000</b>	<b>31,46,000</b>	<b>24,74,329</b>	<b>19,46,060</b>
<b>High Water Mark</b>				<b>50,00,000</b>
Hurdle AUM	55,00,000	60,50,000	66,55,000	50,00,000
Management Fees**	67,500	53,089	41,754	32,840
<b>Post Management Fees AUM</b>	<b>39,32,500</b>	<b>30,92,911</b>	<b>24,32,575</b>	<b>19,13,220</b>
Performance Fees***	-	-	-	-
<b>Post Performance Fees AUM</b>	<b>39,32,500</b>	<b>30,92,911</b>	<b>24,32,575</b>	<b>19,13,220</b>
Ending AUM	39,32,500	30,92,911	24,32,575	19,13,220
<b>Fees a % of Average AUM</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>

\* for illustrative purposes only.

\*\* 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 1.5% fee p.a. on average AUM for the period

\*\*\* charging 20% of all returns in excess of hurdle rate (10% p.a.) with no catch-up

Illustration 2: For investors withdrawing AUM before expiry of lock-in period	
The assumptions for the illustration are as follows:	
-Size of sample portfolio: Rs 100	-Marcellus' Profit share above hurdle rate: 20%
-Period: 1 year	-Fixed fees: 1.5% p.a. of the daily average NAV
-Upfront fees: Nil	
-Hurdle rate: 10% p.a.	

Return	Scenario 1 - Positive return	Scenario 2 - Nil return	Scenario 3 - Negative return
	20.00%	0.00%	-20.00%
Year	1	1	1
Opening capital	50,00,000	50,00,000	50,00,000
Add profit	10,00,000	-	-10,00,000
Less: brokerage any other charges*	-	-	-
Pre- fees AUM	60,00,000	50,00,000	40,00,000
Hurdle AUM	55,00,000	55,00,000	55,00,000
Management Fees**	82,500	75,000	67,500
<b>Post Management Fees AUM</b>	<b>59,17,500</b>	<b>49,25,000</b>	<b>39,32,500</b>
Performance Fees***	83,500	-	-
<b>Post Performance Fees AUM</b>	<b>58,34,000</b>	<b>49,25,000</b>	<b>39,32,500</b>
Ending AUM	58,34,000	49,25,000	39,32,500
<b>Fees a % of Average AUM</b>	<b>3.0%</b>	<b>1.50%</b>	<b>1.50%</b>

\* for illustrative purposes only.

\*\* 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 1.5% fee p.a. on average AUM for the period

\*\*\* charging 20% of all returns in excess of hurdle rate (10% p.a.) with no catch-up

## Schedule 4.3: Additional\*\*\* Illustration to explain Performance Fee computation over a multi-year investment period

**Assumptions:**



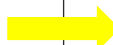

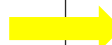

Fixed fees - 1.5% p.a.  
 Profit share above hurdle - 20%  
 Hurdle rate - 10% p.a.

Return	30.00%	30.00%	30.00%	-25.00%	50.00%	20.00%
Year	1	2	3	4	5	6
Opening capital	50,00,000	64,13,750	82,27,238	97,73,791	72,02,063	1,06,45,142
Less: brokerage any other charges*	-	-	-	-	-	-
Add profit	15,00,000	19,24,125	24,68,171	(24,43,448)	36,01,031	21,29,028
<b>Pre- fees AUM</b>	<b>65,00,000</b>	<b>83,37,875</b>	<b>1,06,95,409</b>	<b>73,30,344</b>	<b>1,08,03,094</b>	<b>1,27,74,170</b>
Management Fees / Fixed Fees**	86,250	1,10,637	1,41,920	1,28,281	1,35,039	1,75,645
<b>AUM after fixed fees</b>	<b>64,13,750</b>	<b>82,27,238</b>	<b>1,05,53,489</b>	<b>72,02,063</b>	<b>1,06,68,055</b>	<b>1,25,98,526</b>
High Water Mark				1,05,53,489	1,05,53,489	1,06,68,055
Hurdle AUM	55,00,000	60,50,000	66,55,000	1,07,51,171	79,22,269	1,17,09,656
<b>Higher of Hurdle AUM &amp; High watermark</b>	<b>55,00,000</b>	<b>60,50,000</b>	<b>66,55,000</b>	<b>1,07,51,171</b>	<b>1,05,53,489</b>	<b>1,17,09,656</b>
Performance Fees***	-	-	7,79,698	-	22,913	1,77,774
<b>Post Management Fees AUM</b>	<b>64,13,750</b>	<b>82,27,238</b>	<b>97,73,791</b>	<b>72,02,063</b>	<b>1,06,45,142</b>	<b>1,24,20,752</b>
Ending AUM	64,13,750	82,27,238	97,73,791	72,02,063	1,06,45,142	1,24,20,752
<b>Fees a % of Average AUM</b>	<b>1.5%</b>	<b>1.5%</b>	<b>9.7%</b>	<b>1.5%</b>	<b>1.8%</b>	<b>3.0%</b>

**Notes:**

\*\* Hurdle AUM from the 4th year 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.

 First Applicant Sign 	 Second Applicant Sign 	 Third Applicant Sign 
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**Annexure A**  
**Client Suitability, Investment Objective and Risk Profile Form**

In order for us to offer our products to you, we need to have a reasonable basis. The information requested in this Client Risk Profile Questionnaire is one of the tools we use to establish a basis by which we offer a particular strategy/product to you. It is therefore important for you to complete this document as accurately and fully as possible. Failure to do so could result in you subscribing to a strategy/product that is not appropriate to your individual needs, circumstances and objectives. Please note that this questionnaire is not suited for holistic financial planning but is only used to offer you our strategy/product that we believe suits a particular investor risk profile.

**Your Investment Risk Profile Levels**

Investment risk refers to the level of volatility or fluctuation that a person is prepared to accept in investment returns - including the potential risk of loss of some capital in the short term, and the potential risk that retirement goals may not be met in the longer term. Volatility refers to the unpredictable upward and downward movements in investment values over a period of time.

Name (First Holder only): \_\_\_\_\_ Date: \_\_\_\_\_

Proposed Investment \$: \_\_\_\_\_ \*Approximate Net Worth \$: \_\_\_\_\_

Note - \*If you are a natural person, while calculating the networth you may add assets held jointly with a spouse. Further, you need to exclude the value of your primary residence and indebtedness secured by such residence immediately prior to entering into an investment advisory contract.

Please answer all the questions below, wherever required by ticking (✓) only ONE of the options for each question. Choose the option that BEST indicates how you feel about each question.

**Annual Household Income**

\$0-\$50,000	<input type="checkbox"/>	\$50,001-\$100,000	<input type="checkbox"/>
\$100,000-\$250,000	<input type="checkbox"/>	\$250,000-\$500,000	<input type="checkbox"/>
\$500,000-\$1,000,000	<input type="checkbox"/>	Over \$1,000,000	<input type="checkbox"/>

**A. How many years' experience do you have in equity investing?**

1. 0-1	<input type="checkbox"/>	2. 1-3	<input type="checkbox"/>
3. 3- 6	<input type="checkbox"/>	4. 6 - 8	<input type="checkbox"/>
5. 8-10	<input type="checkbox"/>	6. 10 & above	<input type="checkbox"/>

**B. What is your Investment horizon? How long can you keep your money invested in the market before needing access to it?**

1. Up to two years	<input type="checkbox"/>	2. Two and three years	<input type="checkbox"/>
3. Three and five years	<input type="checkbox"/>	4. Five years and Ten years	<input type="checkbox"/>
5. Ten years and more	<input type="checkbox"/>		

**C. The age group you belong to:**

1. 51 years & above	<input type="checkbox"/>	2. 36 - 50 years	<input type="checkbox"/>
3. 25 - 35 years	<input type="checkbox"/>	4. 18-25	<input type="checkbox"/>

**D. How well do you understand investing in the markets?**

1. I am a novice. I don't understand the markets at all.	<input type="checkbox"/>
2. I have basic understanding of investing. I understand the risks and basic investment concepts like diversification.	<input type="checkbox"/>
3. I have an amateur interest in investing. I have invested earlier on my own. I understand how markets fluctuate and the pros and cons of different investment classes.	<input type="checkbox"/>
4. I am an experienced investor. I have invested in different markets and understand different investment strategies. I have my own investment philosophy.	<input type="checkbox"/>

**E. My current and future income sources (example: salary, business income, investment income et are:**

1. Very unstable	<input type="checkbox"/>	2. Unstable	<input type="checkbox"/>
3. Somewhat stable	<input type="checkbox"/>	4. Stable	<input type="checkbox"/>
5. Very Stable	<input type="checkbox"/>		

**F. From the following 5 possible investment scenario, please select the option which defines your investment objective?**

1. I cannot consider any Capital Loss in a year	<input type="checkbox"/>
2. I can consider Loss of 4% if the possible Gains are of 10% in a year	<input type="checkbox"/>
3. I can consider Loss of 8% if the possible Gains are of 22% in a year	<input type="checkbox"/>
4. I can consider Loss of 14% if the possible Gains are of 30% in a year	<input type="checkbox"/>
5. I can consider Loss of 25% if the possible Gains are of 50% in a year	<input type="checkbox"/>

**G. Volatile investments usually provide higher returns and tax efficiency. What is your desired balance?**

1. Preferably guaranteed returns, before tax efficiency	<input type="checkbox"/>
2. Stable, reliable returns, minimal tax efficiency	<input type="checkbox"/>
3. Some variability in returns, some tax efficiency	<input type="checkbox"/>
4. Moderate variability in returns, reasonable tax efficiency.	<input type="checkbox"/>
5. Unstable, but potentially higher returns, maximising tax efficiency.	<input type="checkbox"/>

**H. If in one year , the value of your investments declines by 20%, what would you do?**

1. Cut losses immediately and liquidate all investments. Capital preservation is paramount.	<input type="checkbox"/>
2. Cut your losses and transfer investments to safer asset classes.	<input type="checkbox"/>
3. You would be worried, but would give your investments a little more time.	<input type="checkbox"/>
4. You are ok with volatility and accept decline in portfolio value as a part of investing. You would keep your investments as they are.	<input type="checkbox"/>
5. You would add to your investments to bring the average buying price lower. You are confident about your investments and are not perturbed by notional losses.	<input type="checkbox"/>

**I. Which of these scenarios best describes your "Risk Range"? What level of losses and profits would be comfortable with?**

Select	Choice	Worst Year
1	Investment A	1%
2	Investment B	-5%
3	Investment C	-10%
4	Investment D	-14%
5	Investment E	-18%
6	Investment F	-21%

Below is the score-card that we will use to determine your risk profile, which in turn shall determine your asset allocation mix.

Question No.	1	2	3	4	5	6	Score
A							
B							
C							
D							
E							
F							
G							
H							
I							
Total							

<b>Conservative</b>	<b>Score grid ≤ 10</b>
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You are an investor who is prepared to accept lower returns with lower levels of risk in order to preserve your capital. The negative effects of taxation and inflation will not be concern to you, provided your initial investment is protected.

<b>Moderate</b>	<b>Score grid 11 - 25</b>
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You are an investor who would like to invest in both income and growth assets. You will be comfortable with calculated risks to achieve good returns; however, you require an investment strategy that adequately deals with the effects of inflation and tax.

<b>Balanced</b>	<b>Score grid 26 - 39</b>
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You are an investor who is comfortable with a high volatility and high level of risk in order to achieve higher returns over long term. Your objective is to accumulate assets over long term by primarily investing in growth assets.

<b>Aggressive</b>	<b>Score grid ≥ 40</b>
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You are an investor who is comfortable with a higher level of risk in order to achieve potentially higher returns. Capital security is secondary to potential wealth accumulation.

**Note:- This Risk assessment framework is an attempt to categorise investor risk profile basis their downside risk appetite over a time period equal to or longer than one year.**

**Investment risk profile acceptance declaration**

I/We confirm that the details recorded in the "Client Risk Profile Questionnaire" are correct and reflect my/our true financial position and understanding and investment risk profile.

I/we are making this investment on the basis of my/our skill and assessment that this product is suitable for me/us."

I/We confirm that we have selected the following Investment Objective & Strategy:

**Name of the Strategy:** \_\_\_\_\_

**Type of Securities:** Equity, Mutual Funds and equity related instruments

**Taxation:** To be assessed by the Client with help of his/her/their tax advisors. The fees charged by Marcellus shall be subject to Goods & Services Tax and such other taxes & levies which will be charged to the Clients.

I/We confirm that I/we will immediately notify in writing to Marcellus any change in my/our risk profile or appetite.

Client Name
Client signature
Date:



## DISCLOSURE OF SOLICITATION ARRANGEMENT

The following disclosures are provided to you in accordance with the provisions of Rule 206(4)-1 of the Investment Advisers Act of 1940:


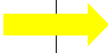
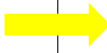
[\_\_\_\_\_] (the "**Promoter/Channel Partner**") has entered into a written Solicitation Agreement (the "**Solicitation Agreement**") with Marcellus Investment Managers Private Limited (the "**Adviser**") to refer potential clients to the Adviser. The Promoter/Channel Partner **[is/is not]** a current client of the Adviser.

If you engage the Adviser as a result of the Promoter's /Channel Partner's efforts under the Solicitation Agreement, the Promoter/Channel Partner will be compensated by (i.e., receive a fee from) the Adviser for its services (the "**Compensation**"). The Compensation will be equal to [\_\_\_\_\_] % of the fees that the Adviser receives from you for managing the assets in your account till the time you stay invested in the Adviser.

As a result of this solicitation arrangement, if you decide to have assets managed by the Adviser under the fixed fee option and hybrid fee option, you will be charged higher fees than those customarily charged to the Adviser's clients for similar services to comparable accounts because of the Compensation that the Adviser will pay to the Promoter with respect to your account. The Promoter, due to the Compensation received, has an incentive to recommend the Adviser, resulting in a material conflict of interest.

### ACKNOWLEDGEMENT:

The undersigned hereby acknowledge the receipt of the above disclosure of the arrangement involving the Adviser, and hereby consents to such relationship.

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

Place \_\_\_\_\_

Date 

D	D	M	M	Y	Y	Y	Y
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Serial No/PMS Code- \_\_\_\_\_