

### 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 7.1 – Fee structures and list of charges for Liquid STP Investment Approach (Direct)**

Discretionary (Fixed Fees Only) <input type="checkbox"/>	<b>Fixed fee*</b> at 1.5% per annum of the Net Asset Value <sup>1</sup> - charged Quarterly <sup>2</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 300 BPS per annum. All specifics of investment management & advisory fee for Liquid STP Investment Approach would be agreed with each Client and set out in more detail in Schedule of the Marcellus PMS 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 per annum.	
3. Fund accounting charges: Up to 5 BPS per annum.	
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).	

**Notes to fees:**

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

<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.

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 charge 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:



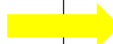

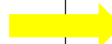

- a) The total market value of all Securities in client's account as on the end of the day,
- b) Cash/Bank balance in client's account as at the end of the day,
- c) All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,
- d) all receivables and 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 7.1.

**"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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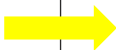
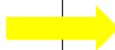



**SCHEDULE 7.2 – Illustration for fee computation under different fee structures for Liquid STP Investment Approach****Illustration: Fixed fee of 1.5% per annum of the Net Asset Value (with NAV calculated based on average daily NAV over the course of the quarter)**

Assumptions	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
1. Size of sample portfolio: Rs 50,00,000 2. Period: 1 year 3. Upfront fees: Nil 4. Performance fees: Nil 5. Fixed fees: 1.5% per annum of the daily average NAV 6. Frequency of fee charging: Quarterly for fixed fees	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 1.5% per annum**	90,000	60,000	75,000
	Less: performance fees	0	0	0
	Total charges during the year	90,000	60,000	75,000
	<b>Net Asset Value (NAV) of the portfolio at year end</b>	<b>59,10,000</b>	<b>39,40,000</b>	<b>49,25,000</b>
	% change over capital contributed	18.20%	-21.20%	-1.50%

**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).

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

Place \_\_\_\_\_

Date 

D	D	M	M	Y	Y	Y	Y
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