

Marcellus Investment Managers Private Limited

Registered with the Securities and Exchange Commission as an Investment Adviser

The services provided and fees charged by **investment advisory** and **brokerage** firms differ, and it is important that retail investors understand the differences. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers, and investing.

What investment services and advice can you provide me?

Marcellus Investment Managers Private Limited (“Marcellus”) offers investment advisory services with respect to securities traded primarily in India and also other selected global public markets to individuals, high net worth individuals, institutions and entities.

We offer eight model portfolios (each a “Model” and collectively the “Models”), which are generally comprised of various India-based equities, global equities, equity-linked instruments, and other liquid securities. In addition, we offer customized portfolios to certain clients which are tailored to meet the client’s specific size, objectives, and risk tolerance. When clients engage us, we provide them with descriptions of our Models and we obtain information from them regarding their financial situation and investment objectives. Based on that information, we recommend Model(s) or a custom portfolio, as appropriate for a given client. We then manage that client’s account on a discretionary basis in accordance with the selected Model(s) or custom portfolio. Clients may request reasonable restrictions on investments in certain financial instruments; however, notice of requested restrictions is required to be given to us in writing, and will not be implemented without agreement by us in writing.

Client portfolios, which must have an initial investment equal to ~ \$60,000 (USD equivalent of INR 50 lacs) or more, are monitored and reviewed at least monthly for ongoing performance and portfolio composition. Our discretionary authority allows us to choose investments on behalf of our clients, in their individual accounts, based on the information they have provided to us. If any changes are needed to the investments, we make the changes. These changes typically involve selling a security or group of securities and buying others or keeping the proceeds in cash. If you engage us on a discretionary basis, you will be asked to execute a Limited Power of Attorney (granting us discretionary authority over your client account) as well as an Investment Management Agreement that outlines your and our respective responsibilities.

More detailed information regarding our services is provided in our Form ADV, Part 2 Brochure (Items 4, 7, 8, and 13), which can be found on our website: https://marcellus-us.com/?resident_us=1

Questions for your financial professional:

“Given my financial situation, should I choose an investment advisory service? Why or why not?”

“How will you choose investments to recommend to me?”

***“What is your relevant experience, including your licenses, education and other qualifications?
What do these qualifications mean?”***

What fees will I pay?

Our discretionary investment advisory services are provided on a “fee-only” basis, which means we charge a fee based on the value of assets we manage for you. We do not charge commissions or other transaction-based fees. Our investment advisory services fee will not exceed 2.5% per annum of the market value of your assets. For qualified clients, we may charge a negotiable performance-based fee instead of, or in addition to, our investment advisory services fee.

Investment advisory fees will be calculated and paid to us at the end of each calendar quarter based on the average daily value of the assets in your client account over the course of that calendar quarter. For certain Models, the Investment advisory fees will be calculated and paid to us on each calendar month based in the average daily value of the assets in your client account over the course of that calendar month. Partial periods will be prorated based on the value of your account during the period. Performance-based fees, if applicable, will be charged annually based on a share of capital gains on, or capital appreciation of, the assets in your account during that period. Fees are debited directly from client accounts unless other acceptable arrangements are made and mutually agreed to in writing.

Consistent with Indian practices, we collect the following additional fees associated with creating and maintaining your account: accounting fee, audit fee, custodian fee, and legal/notary fee. These additional fees will not exceed .5% per annum of the market value of your client account. We may invest your account in mutual funds, money market or liquid funds, and other investment companies (collectively, Funds) that charge their own management fees and have their own operating costs and expenses (such as administrative, custodial, legal and trading costs and expenses), and may charge redemption, marketing, or distribution fees, all of which will be in addition to our management fees (but none of which are paid to us). These fees and expenses are typically described in the Fund’s prospectus. Our fees also do not cover commissions, transaction fees on equities, mutual funds, bond trade away fees, transfer taxes, wire transfer and electronic fund transfer fees, other taxes on

brokerage accounts and securities transactions, or spreads that are built into the price of fixed income securities.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

More of **Questions for your financial professional:**

“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates certain conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Because we charge an asset-based fee, the total fees you pay us will increase with the size of your account. This creates an incentive for us to recommend that you increase the assets in your account. Additionally, performance-based fees can create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the performance-based fee is calculated on a basis which includes unrealized as well as realized appreciation of assets, the incentive may be greater than if such compensation were based solely on realized gains. Furthermore, since we also may have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts. More detailed information regarding conflicts of interest is provided in our Form ADV, Part 2 Brochure (Items 11 and 12), which can be found on our website: https://marcellus-us.com/?resident_us=1.

Questions for your financial professional:

“How might your conflicts of interest affect me, and how will you address them?”

How do your financial professionals make money?

Our financial professionals are paid a fixed salary, which is based on various market factors and the skill and experience of the individual, and we also make contributions to a retirement plan on their behalf. In addition, they may receive employee stock options and periodic bonuses on a discretionary basis. Our financial professionals do not earn sales commissions or other transaction-based compensation, and they are not paid based on client account performance or activity (other than individuals who own part of Marcellus, who naturally receive firm profits).

Do you or your financial professionals have legal or disciplinary history?

Yes. Information regarding disciplinary history can be found in our Form ADV, Part 2 Brochure (Item 9), which can be found on our website: https://marcellus-us.com/?resident_us=1. Visit <http://www.investor.gov/CRS> for a free and simple search tool to research Marcellus and our financial professionals.

Questions for your financial professional:

“As a financial professional, do you have any disciplinary history? For what type of conduct?”

Additional Information

For additional information regarding Marcellus, including an up-to-date copy of this statement, please contact us by telephone at +91-226-267-6872 or visit our website at https://marcellus-us.com/?resident_us=1

Questions for your financial professional:

“Who is my primary contact person?”

“Is he or she a representative of an investment adviser or a broker-dealer?”

“Who can I talk to if I have concerns about how this person is treating me?”