

### 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:<br>First Applicant | Name and Signature:<br>Second Applicant | Name and Signature:<br>Third Applicant |
|--|---|--|
|  |   |  |



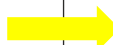

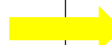

**Notes:**

- 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 - Little Champs Investment Approach (Partner)

| Investment Strategy                                | Equity Strategy  |                  |                         |                                      |       |  |           |
|--|--|------------------|-------------------------|--------------------------------------|-------|--|-----------|
| Investment Objective                               | To preserve the purchasing power of the client's capital whilst providing sustainable returns over long periods of time.   |                  |                         |                                      |       |  |           |
| Description of Securities                          | Under Little Champs, client monies would primarily be invested in equity shares and equity linked instruments issued by companies with proven corporate governance and capital allocation track record and which dominate specific niches of the Indian economy through sustainable competitive advantages built around brands, business processes and strategic assets. 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 Little Champs investment approach is based on generating returns by investing in participating instruments of companies with proven corporate governance and capital allocation track record and which dominate specific niches of the Indian economy through sustainable competitive advantages built around brands, business processes and strategic assets. Hence, under this investment approach, investments are primarily made in equity shares and equity linked instruments issued by companies listed in India and which generally have market capitalisation less than Rs. 7,500 crores on date of first investment. 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>=&gt;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       | S & P BSE 500 TRI  |                  |                         |                                      |       |  |           |
| Basis for choice of benchmark                      | Most of the portfolio companies under LCP Investment Approach have market capitalization of less than Rs. 7,500 crores on date of first investment and thus fall in small-cap category based on market capitalization. SEBI has prescribed the Portfolio Managers to choose benchmarks from Nifty 50 TRI, S&P BSE 500 TRI and MSEI SX 40 TRI. Out of the options available under regulations, S&P BSE 500 TRI was considered to be most appropriate.   |                  |                         |                                      |       |  |           |
| Minimum investment                                 | The minimum value of Funds/investments which will be accepted towards initial corpus under Little Champs Investment Approach would be decided by the Portfolio Manager from time to time and the minimum sum will not be less than Rs. 50,00,000 (Rupees fifty lakhs) or any other amount as may be stipulated by the Regulations. 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. |                  |                         |                                      |       |  |           |
| Indicative tenure or investment horizon            | 3 years to 10 years  |                  |                         |                                      |       |  |           |
| Minimum tenure                                     | 3 years  |                  |                         |                                      |       |  |           |
| Lock-in period                                     | DPMS Investments managed under Little Champs Investment Approach shall be subject to lock in period of three years, which shall apply from the date of the placement (i.e. date on which the investments/funds are accepted). If the client wishes to withdraw investments before the expiry of lock-in period, portfolio manager shall be entitled to charge exit load specified in clause 11 of this schedule. The Client will be at liberty to withdraw full/partial Funds/Securities at any time after the lock-in-period and/or minimum period. Non-withdrawal of Funds/Securities as mentioned above will be deemed to be continuance of the agreement for managing the Funds/securities portfolio.  |                  |                         |                                      |       |  |           |
| Exit loads   | Exit load shall be levied in following manner – (i) 3% of AUM withdrawn if investments are withdrawn within 1 year from date of investment, (ii) i) 2% of AUM withdrawn if investments are withdrawn within 2 years from date of investment, and (iii) i) 1% of AUM withdrawn if investments are withdrawn within 3 years from date of investment  |                  |                         |                                      |       |  |           |
| Redemptions / Partial withdrawals                  | Partial withdrawal shall be allowed only to such extent that portfolio value after recovery of fees, charges, exit load (if any) and payment of withdrawal amount is not less than the minimum investment specified in Clause 7 of 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 negative security in Negative security list 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 and equity investments in general are provided in our Disclosure document which is available at <a href="https://marcellus.in/disclosure-documents/">https://marcellus.in/disclosure-documents/</a>  |                  |                         |                                      |       |  |           |

|  |   |  |
|--|---|--|
| <br>First Applicant Sign  | <br>Second Applicant Sign  | <br>Third Applicant Sign  |
|--|---|--|

**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>  | 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)<br>And<br>Variable fee –<br>i) For first Performance Fee Billing Period – 20% of all returns in excess of the Hurdle Rate of 10% p.a. (No Catch up).<br>ii) For subsequent Performance Fee Billing Period – 20% of all returns in excess of the Hurdle Rate of 10% p.a. (No Catch up) subject to a High Watermark principle. | Fixed fee - on Calendar Quarter basis*<br><br>Variable fee –<br>i) First Performance Fee Billing Period* would be 3 years from date of first investment in Little Champs PMS<br>ii) Subsequent Performance Fee Billing Period*, variable fee shall be charged on annual basis at each anniversary<br>Note:- * In case of withdrawals before computation date, all fees shall be charged on pro-rata basis for the relevant period. |
| 1. Brokerage and transaction cost<br>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.  |  |  |

**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 (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:

- The total market value of all Securities in client's account as on the end of the day,
  - Cash/Bank balance in client's account as at the end of the day,
  - All income (dividend, interest, etc.) accrued on the investments in client's account over the course of the day,
  - 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 Serviced, 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 or as mentioned in the fee schedule of the respective investment approach.


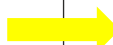
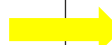
If client makes partial redemptions out of PMS account, changes fee structure, switches to a different distributor or direct code or closes the PMS account before the billing date for Fixed Fee Billing Period or Performance Fee Billing Period, then applicable fees and charges as per existing fees structure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

|   |   |   |
|---|---|---|
| <br><div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div> First Applicant Sign | <br><div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div> Second Applicant Sign | <br><div style="border: 1px solid black; height: 40px; margin-top: 10px;"></div> Third Applicant Sign |
|---|---|---|

Place \_\_\_\_\_

Date 

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

**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<br>-Period: 4 years<br>-Upfront fees: Nil<br>Hurdle rate: 10% p.a. | -Marcellus' Profit share above hurdle rate: 20%<br>-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

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

| 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

| <b>Illustration 2: For investors withdrawing AUM before expiry of lock-in period</b><br>The assumptions for the illustration are as follows: |  |
|--|--|
| -Period: 1 year  | -Fixed fees: 2.50% p.a. of the daily average NAV |

| 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/DP Charges/any other charges* | -                            | -                       | -                            |
| Pre- fees AUM                                 | 60,00,000                    | 50,00,000               | 40,00,000                    |
| Management Fees**                             | 1,37,500                     | 1,25,000                | 1,12,500                     |
| <b>Post Management Fees AUM</b>               | <b>58,62,500</b>             | <b>48,75,500</b>        | <b>38,87,500</b>             |
| <b>Fees a % of Average AUM</b>                | <b>2.5%</b>                  | <b>2.5%</b>             | <b>2.5%</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 2.50% fee p.a. on average AUM for the period

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


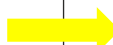
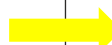
| <b>Assumptions:</b> Size of Sample Portfolio: INR 50,00,000/- , Period: 6 years, Hurdle Rate: 10% p.a , Performance Fees: 20%, Fixed Fees: 1% p.a |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Return  | 30.00%      | 30.00%      | 30.00%      | -25.00%     | 50.00%      | 20.00%      |
| Year  | 1           | 2           | 3           | 4           | 5           | 6           |
| Opening capital   | 5,000,000   | 6,442,500   | 8,301,161   | 9,887,837   | 7,329,359   | 10,897,262  |
| Add profit  | 1,500,000   | 1,932,750   | 2,490,348   | -2,471,959  | 3,664,680   | 2,179,452   |
| Less: Fixed Fees  | 57,500      | 74,089      | 95,463      | 86,519      | 91,617      | 119,870     |
| Pre- fees AUM   | 6,442,500   | 8,301,161   | 10,696,046  | 7,329,359   | 10,902,422  | 12,956,844  |
| High Watermark (Pre-Fees)   | 5,000,000   | 5,000,000   | 5,000,000   | 10,696,046  | 10,696,046  | 10,902,422  |
| High Watermark (Net of Fees) - A  | 5,000,000   | 5,000,000   | 5,000,000   | 9,887,837   | 9,887,837   | 10,897,262  |
| Opening AUM - B   | 5,000,000   | 6,442,500   | 8,301,161   | 9,887,837   | 7,329,359   | 10,897,262  |
| Amount on which Hurdle to be calculated (Higher of A or B)  | 5,000,000   | 5,000,000   | 5,000,000   | 9,887,837   | 9,887,837   | 10,897,262  |
| Hurdle AUM**  | 5,500,000   | 6,050,000   | 6,655,000   | 10,876,621  | 10,876,621  | 11,986,988  |
| Fees  | 0           | 0           | 808,209     | 0           | 5,160       | 193,971     |
| Ending AUM  | 6,442,500   | 8,301,161   | 9,887,837   | 7,329,359   | 10,897,262  | 12,762,873  |
| <b>Fees a % of Average AUM</b>  | <b>1.0%</b> | <b>1.0%</b> | <b>9.5%</b> | <b>1.0%</b> | <b>1.1%</b> | <b>2.6%</b> |

Notes:

\* for illustrative purposes only.

\*\* 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   |  |  |





**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> |
|---------------------|------------------------|

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> |
|-----------------|---------------------------|

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> |
|-----------------|---------------------------|

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> |
|-------------------|------------------------|

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 |
|---|---|---|---|---|---|---|

Serial No/PMS Code- \_\_\_\_\_