Commission Structure for L&T Mutual Fund#

(From 1st July 2015 to 30th September 2015)

Name of the Fund	Prepaid Commission	Trail(apm) from Day 1	Total Earnings for T_{15} Cities In first 3 Years	B_{15} Incentive	Total Earnings for B_{15} Cities In first 3 Years
Equity, Balanced and Hybrid Funds					
L&T India Large Cap Fund L&T Infrastructure Fund L&T India Value Fund L&T Mid Cap Fund L&T India Prudence Fund L&T India Equity and Gold Fund L&T Equity Fund L&T India Special Situations Fund L&T Indo Asia Fund L&T Tax Advantage Fund L&T Equity Savings Fund L&T Monthly Income Plan	**0.50%***	**1.25%**	**4.25%**	**1.50%**	**5.75%**
L&T Global Real Assets Fund	**0.25%***	**1.25%**	**4.00%**	**1.50%**	**5.50%**
L&T Business Cycles Fund	**0.50%***	**1.25%**	**4.25%**	**0.75%**	**5.00%**
Arbitrage Fund					
L&T Arbitrage Opportunities Fund	**Nil**	**0.50%**	**1.50%**	**Nil**	**1.50%**
Debt Funds					
L&T Income Opportunities Fund L&T Resurgent India Corporate Bond Fund	**Nil**	**1.00%**	**3.00%**	**0.50%**	**3.50%**
L&T Triple Ace Bond Fund L&T Short Term Income Fund	**Nil**	**1.00%**	**3.00%**	**Nil**	**3.00%**
L&T Flexi Bond Fund	**Nil**	**0.75%**	**2.25%**	**Nil**	**2.25%**
L&T Short Term Opportunities Fund	**Nil**	**0.50%**	**1.50%**	**Nil**	**1.50%**
L&T Low Duration Fund L&T Floating Rate Fund	**Nil**	**0.40%**	**1.20%**	**Nil**	**1.20%**
L&T Ultra Short Term Fund	**Nil**	**0.20%**	**0.60%**	**Nil**	**0.60%**
L&T Gilt Fund	**Nil**	**0.15%**	**0.45%**	**Nil**	**0.45%**
Liquid Funds					
L&T Cash Fund	**Nil**	**0.65%**	**1.95%**	**Nil**	**1.95%**
L&T Liquid Fund	**Nil**	**0.05%**	**0.15%**	**Nil**	**0.15%**

Long Term Asset Incentive for Equity, Balanced, ELSS, Equity Savings and Monthly Income Funds

AUM	Ageing	Incentive
>=Rs.2.5 Crs	> 5 Years	0.25%

The Commission Structure mentioned in this document comprises of:

(1) Commission payable to the distributor, and

(2) Applicable service tax payable on the said commission by the AMC under reverse charge mechanism.

The AMC reserves the right to deduct applicable statutory dues

* For investments > Rs.3 Crore, no prepaid commission will be paid. The prepaid commission indicated above would be paid out in 12 equal instalments.

Commission Structure for L&T Mutual Fund – Terms and Conditions

(From 1st July 2015 to 30th September 2015)

General

a) This is further to your empanelment with L&T Investment Management Limited on behalf of L&T Mutual Fund.

b) The aforesaid structure is effective from **1st July 2015 to 30th September 2015** and will remain effective till further notice and may change at the discretion of AMC as a result of any changes in the law.

c) **Prepaid Commission**: **:** L&T IM wishes to enhance the quality of service provided to its investors to improve retention of investments in its schemes. For this purpose, the AMC intends to fund the distributors through a prepayment of commission to enable them to service their clients. The prepayment will be based on the amount invested by the customer at the rates specified in the table above to the extent it is payable to the distributor. The distributor is entitled to keep the commission paid if the investor stays through the exit period. In the event the investment is withdrawn before completion of this period, the proportionate commission paid which corresponds to the balance exit load period would be recovered or adjusted against other amounts payable to such distributors on account of deficiency of service.
Prepaid Commission will be calculated on a monthly basis on the amount invested by the investor. The amount payable to the distributor shall be paid in the following month.

d) **Trail Commission-Year 1:** The Trail Commission is calculated on the basis of 'Daily Average Assets'. The amount payable to the distributor shall be paid in the following month.

e) **Trail Commission -Year 2 onwards**: Trail will be applicable on all assets procured subject to the assets staying with the Scheme for more than 1 year from the date of subscription. The amount payable to the distributor shall be paid in the following month.

f) Commission/Incentive will be paid on switches/systematic transfer from one scheme to another scheme. However, no commission will be paid in case of change of option in the same scheme except for L&T tax Advantage Fund.

g) If the total commission payout to the distributor for a month (including prepaid commission/Incentive) is less than Rs. 250/-, the same would be accrued and carried forward to subsequent months for payouts,

h) AMC reserves the right to change the commission structure at its sole discretion, without giving any notice.

i) The AMC reserves the right not to pay Commission/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to earn Commission/Incentive otherwise not available on the investment.

j) In accordance with the clause 4(d) of SEBI Circular No. SEBI/IMD/CIR No. 4/168230/09 dated June 30, 2009, the distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor. Distributors are advised to ensure compliance of the same.

k) The rules and regulations of SEBI/AMFI pertaining to commission/incentive payment to distributors will also be applicable for payment of the commission/incentive as per the structure stated above.

l) The aforesaid commission/incentive structure is based on the present expense ratio allowed by SEBI. Any change by SEBI in the expense ratio will entail a change in the aforesaid commission structure. AMC reserves the right to change, withdraw and / or amend, the above mentioned terms and conditions without any prior notice.

m) For change of broker code cases, payment of commission will be governed by the requirements of SEBI and / or AMFI.

B-15 Incentive

a) B-15 incentive is over and above the existing commission and incentives.

b) B-15 incentive will be payable on the applications procured from residents of all the cities beyond the following 15 cities(as per Pincode Master circulated by AMFI from time to time :
Mumbai (including Thane & Navi Mumbai), Delhi (including NCR), Bangalore, Kolkata, Chennai, Pune, Ahmedabad, Hyderabad, Baroda, Panjim, Jaipur, Lucknow, Surat, Kanpur and Chandigarh

c) Applications procured from Non-resident Indians will not be eligible for B-15 incentive.

d) In case the investment is redeemed (lump sum & SIP/STP) within 12 months, the entire B15 incentive paid as above shall be recovered or adjusted against other amounts payable in accordance with requirements of SEBI and/or AMFI.

e) Identification or tagging of a transaction as B15 transaction will be at the sole discretion of AMC and as per the guidelines and list of Pin codes issued by SEBI and/or AMFI from time to time.

f) Any claims by distributors to change the tagging will not be entertained.

g) B15 Incentive on application amounts > Rs. 25, 00,000 will be paid in 12 monthly equated instalments. However, this cap will not be applicable to L&T Tax Advantage Fund.

h) The AMC reserves the right not to pay Commission/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to earn Commission/Incentive otherwise not available on the investment.

Long Term Asset Incentive

a) Long Term Asset Incentive is computed on the daily average assets of each quarter and the amount payable to the distributor shall be paid in the subsequent month till further notice and may change at the discretion of AMC

b) Distributors whose AUM as on 26th March'15 was >= 2.5 Crores will be considered as an eligible distributor. Assets procured before 27th March' 15 only will be considered for arriving at the incentive.

c) The incentive computation by AMC will be considered to be final for the purpose of incentive payment.

d) AMC reserves the right to change the Long-Term Asset Incentive Structure at its sole discretion.

THE DISTRIBUTOR AGREES THAT SOURCING OF FUNDS FOR L&T MUTUAL FUND SCHEME(S) AFTER RECEIPT OF THIS BROKERAGE STRUCTURE INCLUDING ABOVE REFERRED TERMS AND CONDITIONS SHALL BE CONSTRUED AS AN AGREEMENT OF HIS/HER/ITS ACCEPTANCE TO THE TERMS AND CONDITIONS.