

## Notes for T 15 cities

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- 1) Brokerage rates mentioned above are applicable for all the purchases made from 1<sup>st</sup> Jan 2014 to 31<sup>st</sup> Mar 2014
  - a) **Upfront brokerage:** The upfront brokerage payments are computed on the investment value and are paid in arrears at the end of each month (unless specified otherwise).
  - b) **Trail brokerage:** The trail amount is calculated on the basis of 'Daily Average Assets' on the NAV. This is paid in arrears at the end of each month (unless specified otherwise).
- 2) \*\* Upfront brokerage is payable on each investment transaction up to Rs.1 Crore, in the respective / applicable scheme. For each investment transaction with value above Rs.1 Crore, the brokerage rate under "Upfront" will be paid out as trail.
- 3) Recovery of Upfront brokerage paid:

In light of the changes in the Regulations w.e.f. October 1, 2012, a new clause regarding recovery of Upfront brokerage paid to the Distributor, is being introduced in the following manner:

### Upfront Brokerage

- a. The Upfront brokerage paid to a Distributor will be recovered from the Distributor, if the investment (for which such upfront brokerage was paid) is redeemed before the completion of the Exit Load period/defined holding period for the concerned scheme. For Schemes with defined holding period (as different from exit load period), please refer point no. 4 below
- b. The recovery would be made on a pro-rata basis i.e. depending upon the number of days for which the investment has stayed invested in the concerned scheme before being redeemed before the completion of the Exit Load period / defined holding period of the concerned scheme.
  - i. For redemption before the Exit Load period, the recovery of the brokerage will be equal to :  $\text{Upfront Brokerage Paid} * (\text{Exit load period in days or defined holding period} - \text{Number of days investment stayed}) / \text{Exit load period OR defined holding period in days}$ .

For example:

Applicable Upfront Brokerage: 0.40%. Investment Value: Rs. 100,000. Exit load: 1%. Exit load period or defined holding period: 1 year. Redemption by the investor: At the end of 180 days.

Brokerage claw back calculations will be as follows:

- Upfront brokerage paid: Rs. 400 (100,000\*0.40%)
- Brokerage claw back amount: Rs. 202.74 (400\*((365-180)/365))

- 4) Defined holding period for the following schemes will be as under

Name of the Scheme	Period
DSP BlackRock Strategic Bond Fund	182 days
DSP BlackRock Government Securities Fund	182 days

- 5) **Switches:** Inter scheme switches will be treated as a normal purchase. Upfront brokerage will be paid on switches made between schemes (and not plans) which will be treated like a normal purchase as mentioned above.
- 6) The brokerage structure communicated by DSP BlackRock Investment Managers Pvt. Ltd (DSPBRIM) from time-to-time is all inclusive i.e. inclusive of any cess, charges, taxes etc that may be incurred by DSPBRIM and is eligible for all the statutory deductions, including income tax, etc.

- 7) **Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP):** [applicable for new SIP/STP registrations]: Any additional brokerage/incentives/paid over & above the attached brokerage structure will not be applicable for SIP/STP's done during the defined period, unless otherwise specified.
- 8) The rules and regulations of SEBI/AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the above mentioned brokerage structure.
- 9) The above brokerage structure is based on the present total expense ratio permitted by the Regulations. Any downward revision in the limits of total expense ratio by the Regulations or due to significant increase in AUM of respective funds will entail a downward change in all forms of applicable brokerage for existing assets and business mobilized during this period.
- 10) **DSP BlackRock Investment Managers Pvt. Ltd. (DSPBRIM) reserves the right to change, withdraw, and / or amend the above mentioned terms and conditions, without any prior notice.**
- 11) **DSPBRIM reserves the right to withhold / not pay upfront brokerage /trail brokerage or whatsoever brokerage on any transaction / application, at its sole discretion.**
- 12) Brokerage payment (including trail brokerage) will be made by the respective schemes of DSP BlackRock Mutual Fund and/or DSP BlackRock Investment Managers Pvt. Ltd.
- 13) The brokerage /Incentive structure mentioned hereinabove is solely payable to AMFI/NISM certified distributors of DSP BlackRock Investment Managers Pvt. Ltd (DSPBRIM). DSPBRIM shall not be responsible for any losses incurred by anyone due to change in the brokerage structure. All distributors shall abide by the code of conduct and rules/regulations laid down by SEBI and AMFI. Also, it is specifically mentioned that the distributor will neither pass on or rebate brokerage /incentive back to investors nor tempt them with gifts /rebate. DSPBRIM will take disciplinary action against any distributor who is found violating the rules, regulations and code of conduct. The distributor shall disclose all commissions (upfront, trail 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.

**Notes for B 15 cities - Special Incentive (As per SEBI circular & related guidelines from AMFI)**

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- 1) Brokerage rates mentioned above are applicable for all the purchases made from 1<sup>st</sup> Jan 2014 to 31<sup>st</sup> Mar 2014
  - a) **\*\*Upfront brokerage:** The upfront brokerage payments are computed on the investment value and are paid in arrears at the end of each month (unless specified otherwise).Upfront brokerage is payable on each investment transaction up to Rs.1 Crore, in the respective / applicable scheme. For each investment transaction with value above Rs.1 Crore, the brokerage rate under "Upfront" will be paid out as trail.
  - b) **Special Upfront Incentive:** Special Upfront incentive is payable on each investment transaction up to Rs.1 Crore shall be paid at the end of the calendar quarter for which this brokerage structure is applicable. Special Upfront Incentive on each investment transaction will be paid in 4 equal installments (quarterly) in case investment amount is above Rs.1 Crore unless otherwise specified.
  - c) **Trail brokerage:** The trail amount is calculated on the basis of 'Daily Average Assets' on the NAV. This is paid in arrears at the end of each month (unless specified otherwise).

2) Recovery of Upfront brokerage and Special Incentive paid:

In light of the changes in the Regulations w.e.f. October 1, 2012, a new clause regarding recovery of Upfront brokerage paid to the Distributor, is being introduced in the following manner:

Upfront Brokerage

- a. The Upfront brokerage paid to a Distributor will be recovered from the Distributor, if the investment (for which such upfront brokerage was paid) is redeemed before the completion of the Exit Load period/defined holding period for the concerned scheme. For Schemes with defined holding period (as different from exit load period), please refer point no. 3 below
- b. The recovery would be made on a pro-rata basis i.e. depending upon the number of days for which the investment has stayed invested in the concerned scheme before being redeemed before the completion of the Exit Load period / defined holding period of the concerned scheme.
  - i. For redemption before the Exit Load period, the recovery of the brokerage will be equal to :  $\text{Upfront Brokerage Paid} * (\text{Exit load period in days or defined holding period} - \text{Number of days investment stayed}) / \text{Exit load period OR defined holding period in days}$ .

For example:

Applicable Upfront Brokerage: 0.40%. Investment Value: Rs. 100,000. Exit load: 1%. Exit load period or defined holding period: 1 year. Redemption by the investor: At the end of 180 days.

Brokerage claw back calculations will be as follows:

- Upfront brokerage paid: Rs. 400 (100,000\*0.40%)
- Brokerage claw back amount: Rs. 202.74 (400\*((365-180)/365))

3) Defined holding period for the following schemes will be as under

Name of the Scheme	Period
DSP BlackRock Strategic Bond Fund	182 days
DSP BlackRock Government Securities Fund	182 days

Special Incentive

- a. If the investment is redeemed within 365 days from the date of subscription to the concerned scheme, **DSP BlackRock Investment Managers Pvt. Ltd (DSPBRIM)** will claw back the entire special incentive paid on that subscription.
- 4) **Switches:** Inter scheme switches will be treated as a normal purchase. Upfront brokerage will be paid on switches made between schemes (and not plans) which will be treated like a normal purchase as mentioned above.
- 5) The brokerage structure communicated by DSP BlackRock Investment Managers Pvt. Ltd (DSPBRIM) from time-to-time is all inclusive i.e. inclusive of any cess, charges, taxes etc that may be incurred by DSPBRIM and is eligible for all the statutory deductions, including income tax, etc.
- 6) **Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP):** [applicable for new SIP/STP registrations]: Any additional brokerage/incentives/paid over & above the attached brokerage structure will not be applicable for SIP/STP's done during the defined period, unless otherwise specified.

- 7) The rules and regulations of SEBI/AMFI pertaining to brokerage payment to distributors will also be applicable for payment of the above mentioned brokerage structure.
- 8) The above brokerage structure is based on the present total expense ratio permitted by the Regulations. Any downward revision in the limits of total expense ratio by the Regulations or due to significant increase in AUM of respective funds will entail a downward change in all forms of applicable brokerage for existing assets and business mobilized during this period.
- 9) **DSP BlackRock Investment Managers Pvt. Ltd. (DSPBRIM) reserves the right to change, withdraw, and / or amend the above mentioned terms and conditions, without any prior notice.**
- 10) **DSPBRIM reserves the right to withhold / not pay upfront brokerage /trail brokerage or whatsoever brokerage on any transaction / application, at its sole discretion.**
- 11) Brokerage payment (including trail brokerage) will be made by the respective schemes of DSP BlackRock Mutual Fund and/or DSP BlackRock Investment Managers Pvt. Ltd.
- 12) The brokerage /Incentive structure mentioned hereinabove is solely payable to AMFI/NISM certified distributors of DSP BlackRock Investment Managers Pvt. Ltd (DSRBRIM). DSPBRIM shall not be responsible for any losses incurred by anyone due to change in the brokerage structure. All distributors shall abide by the code of conduct and rules/regulations laid down by SEBI and AMFI. Also, it is specifically mentioned that the distributor will neither pass on or rebate brokerage /incentive back to investors nor tempt them with gifts /rebate. DSPBRIM will take disciplinary action against any distributor who is found violating the rules, regulations and code of conduct. The distributor shall disclose all commissions (upfront, trail 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.