

# Brokerage Structure for L&T Mutual Fund- Equity & Hybrid Schemes

(From 1st January 2014 to 31<sup>st</sup> March 2014)

Name of the Fund	Basic Commission					Additional Incentive		Total Earnings in Year 1 for T <sub>15</sub> Cities	B15 Incentive	Total Earnings in Year 1 for B <sub>15</sub> Cities
	Upfront	Trail (apm)				Upfront	Trail(apm)			
		1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year onwards					
<b><u>Equity and Balanced Funds</u></b>										
L&T Equity Fund L&T India Large Cap Fund L&T Mid Cap Fund L&T Infrastructure Fund L&T India Value Fund L&T India Special Situations Fund L&T Global Real Assets Fund L&T Indo Asia Fund L&T India Prudence Fund L&T India Equity and Gold Fund	0.75%*	0.50 %	1.00%	1.00 %	1.00%	Nil	Nil	1.25%	1.50%	2.75%
<b><u>ELSS</u></b>										
L&T Tax Advantage Fund	4.50%**	Nil	Nil	Nil	1.00%	Nil	Nil	4.50%	1.50%	6.00%
<b><u>Hybrid Funds</u></b>										
L&T Monthly Income Plan L&T MIP Wealth Builder	1.50%	0.25%	0.50%	0.50%	0.50%	Nil	Nil	1.75%	1.50%	3.25%

\* For investments > Rs.1 Crore, no upfront commission will be paid. **The upfront commission indicated above would be added to the Trail Commission for Year 1 and paid out as Trail Commission.**

\*\* For investments <= Rs.1 Crore, the trail commission for the first 3 years would be computed on the initial investment amount and paid out in the month following the allotment of units. The upfront commission rate indicated above is the trail commission paid out in advance for the first 3 years. For investments > Rs.1 Crore - No upfront commission would be paid and the trail rates applicable for the first 3 years are as below:  
Year-1 : 1.50%, Year-2 : 1.50%, Year-3 : 1.50%;

## **SIP/STP Incentive for Equity and Balanced Funds (except ELSS)**

SIP/STP Amount	Tenure	Incentive
>= Rs. 1000 and < Rs 2000	>= 12 months and <= 36 months	0.35%
Rs. >= 2000 and <= Rs.10000	>= 12 months and <= 36 months	0.50%

## **Target Linked Incentive for Equity and Balanced Funds (except ELSS)**

Mobilisation Amount	Incentive
>=Rs.5 lacs - <Rs.10 lacs	0.10%
>=Rs.10 lacs - <Rs.20 lacs	0.20%
>=Rs.20 lacs - <Rs.30 lacs	0.30%
>=Rs.30 lacs - <Rs.50 lacs	0.40%
>=Rs 50 lacs	0.50%

## **Long Term Asset Incentive for Equity, Balanced and Hybrid Funds**

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

# Brokerage Structure for L&T Mutual Fund – Debt Funds

(From 1st January 2014 to 31<sup>st</sup> March 2014)

Name of the Fund	Basic Commission				Additional Incentive		Total Earnings in Year 1 for T <sub>15</sub> Cities	B15 Incentive	Total Earnings in Year 1 for B <sub>15</sub> Cities
	Prepaid Commission <sup>^</sup>	Trail (apm)			Upfront	Trail(apm)			
		1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year onwards					
L&T Triple Ace Bond Fund	1.00%	Nil	0.50%	0.50%	0.25%	Nil	1.25%	Nil	1.25%
L&T Income Opportunities Fund	1.75%	Nil	Nil	0.60%	0.25%	Nil	2.00%	0.50%	2.50%
L&T Flexi Bond Fund	0.75%	0.50% #	0.50%	0.50%	Nil	Nil	1.00%	Nil	1.00%
L&T Short Term Income Fund	0.50%	Nil	0.50%	0.50%	0.25%	Nil	0.75%	Nil	0.75%
L&T Gilt Fund	Nil	0.70%	0.50%	0.50%	Nil	Nil	0.70%	Nil	0.70%
L&T Short Term Opportunities Fund	Nil	0.50%	0.50%	0.50%	Nil	Nil	0.50%	Nil	0.50%
L&T Low Duration Fund	Nil	0.15%	0.10%	0.10%	Nil	Nil	0.15%	Nil	0.15%
L&T Ultra Short Term Fund	Nil	0.15%	0.05%	0.05%	Nil	Nil	0.15%	Nil	0.15%
L&T Floating Rate Fund	Nil	0.10 %	0.05%	0.05%	Nil	Nil	0.10 %	Nil	0.10 %
L&T Liquid Fund	Nil	0.05%	0.05%	0.05%	Nil	Nil	0.05%	Nil	0.05%
L&T Cash Fund	Nil	0.25%	0.25%	0.25%	Nil	Nil	0.25%	Nil	0.25%

# From 7<sup>th</sup> month onwards

<sup>^</sup> For investments > Rs.3 Crore, no prepaid commission will be paid. **The prepaid commission indicated above would be added to the Trail Commission for Year 1 and paid out as Trail Commission.**

<sup>^</sup>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. The distributor is entitled to keep this commission if the investor stays through the exit period. In the event the investment is withdrawn before completion of this period, the proportionate prepaid commission which corresponds to the balance exit period would be recovered or adjusted against other amounts payable to such distributors.

# Brokerage Structure for L&T Mutual Fund – Terms and Conditions

(From 1st January 2014 to 31<sup>st</sup> March 2014)

## General

- a) The above structure is effective from 1st January 2014 to 31st March 2014 and will remain effective till further notice and may change at the discretion of AMC/ as a result of any changes in the law.
- b) Upfront Commission for Equity and Prepaid Commission for Debt: It will be calculated on a monthly basis and paid on the following month.
- c) Trail Commission -Year 1: The Trail Commission is calculated on the basis of 'Daily Average Assets' on the NAV. This is payable monthly at the annualized rate mentioned
- d) 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. This will be calculated on the basis of the 'Daily Average Assets' on the NAV and payable monthly at the annualized rate mentioned above.
- e) In case the investment is redeemed within the exit load period, as applicable, the proportionate Initial Commission for equity and Prepaid Commission for debt paid (including additional incentives, if any) shall be recovered or set-off from the future brokerage payments.
- f) Brokerage/Incentive will be paid on switches/systematic transfer from one scheme to another scheme. However in case of a switch-out or a transfer under STP from L&T Flexi Bond Fund, L&T Low Duration Fund and L&T Short Term Income Fund to any of the equity schemes, only the differential of the Prepaid Commission of source scheme and Upfront Commission of the target scheme will be paid.
- g) If the total brokerage payout for a month (including initial Brokerage/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 Upfront Commission for equity, Prepaid commission for Debt and Trail commission structure at its sole discretion.
- i) The AMC reserves the right not to pay Brokerage/Incentive on assets mobilized through multiple / split applications from the same investor where such arrangement is made with an intention to earn Brokerage/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 brokerage payment to distributors will also be applicable for payment of the above mentioned brokerage structure.
- l) The aforesaid brokerage 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 brokerage 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, no commission will be paid in accordance with requirements of SEBI and / or AMFI.

## Additional Incentive

- n) Only New Purchases, Additional Purchases and Switches from Debt Funds into the eligible scheme will be considered.
- o) Incentive % would be applied on the basis of the Total Mobilisation under the eligible scheme.
- p) SIP/STP Transactions will not be considered for the Additional Incentive Computation.
- q) The above said transactions sourced during the quarter **starting from 1st January 2014** will be eligible for this incentive.
- r) The additional trail incentive will be paid only in the first year.
- s) The incentive computation by AMC will be considered to be final.

## B-15 Incentive

- a) B-15 incentive is over and above the existing brokerage.
- b) B-15 incentive will be payable on the applications procured from residents of all the cities beyond the following 15 cities:  
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, if the investment is redeemed (lump sum & SIP/STP) within the exit load period, as applicable, the incentives paid as above shall be recovered or set-off from the future brokerage payments 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 issued by SEBI and/or AMFI from time to time.
- f) Any claims by distributors to change the tagging will not be entertained.

## SIP/STP Incentive

- a) SIP/STP Incentives will be paid on monthly basis, subject to the instalment being processed and realised.
- b) The incentive will be paid for SIPs/STPs of >= 12 months and <= 36 months. SIP/STP with number of instalments greater than 36 will be treated as equal to 36 months for calculation of incentives.
- c) If SIP/STP Instalment amount is greater than Rs. 10,000, the instalment amount will be taken as equal to Rs.10,000/- for computing the SIP Incentive.
- d) SIP/STP Incentives will be paid in respect of the following schemes: L&T Equity Fund, L&T India Large Cap Fund, L&T Mid Cap Fund, L&T Infrastructure Fund, L&T India Value Fund, L&T India Special Situations Fund, L&T Global Real Assets Fund, L&T Indo Asia Fund, L&T India Prudence Fund and L&T India Equity and Gold Fund

## Target Linked Incentive

- a) Only New Purchases, Additional Purchases and Switches from Debt Funds into the above mentioned eligible schemes will be considered.
- b) Incentive % would be applied on the basis of the Total Mobilisation under the eligible schemes.
- c) SIP/STP Transactions will not be considered for the Target Linked Incentive Computation.
- d) The above said transactions sourced during the quarter starting from 1st January 2014 will be eligible for this incentive.
- e) This target linked incentive will be paid in the month following the quarter end.
- f) The incentive computation by AMC will be considered to be final.

## Long Term Asset Incentive

- a) Long Term Asset Incentive is computed on the daily average assets of each quarter and paid in the subsequent month till further notice and may change at the discretion of AMC
- b) The incentive computation by AMC will be considered to be final for the purpose of incentive payment.
- c) AMC reserves the right to change the Long-Term Asset Incentive Structure at its sole discretion.
- d) The incentive will be computed quarterly and paid in the subsequent month.