

Commission Structure for L&T Business Cycles Fund

(From 1st October 2014 to 31st December 2014)

Dear Adviser,

We are happy to offer you the below mentioned commission structure for L&T Business Cycles Fund for the period mentioned above:

Name of the Fund	Prepaid Commission*	Additional Prepaid Commission*	Trail(apm) From 19 th month	Total Prepaid Commission in Year 1 for T ₁₅ Cities	B15 Incentive	Additional B15 Incentive	Total Prepaid Commission in Year 1 for B ₁₅ Cities
L&T Business Cycles Fund	2.25%	0.50%	1.00%	2.75%	1.50%***	0.50%***	4.75%

Target Linked Incentive*

Mobilisation under L&T Business Cycles fund for the quarter October, 2014 to December, 2014 will be clubbed along with Equity and Balanced Funds and paid as per following table:

Mobilisation Amount	Incentive for Equity & Balanced Funds
>=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%

* L&T IM wishes to enhance the quality of service provided to its investors. For this purpose, the AMC intends to fund the distributors through a prepayment of commission/incentive to enable them to service their clients.

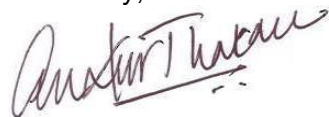
The prepayment will be based on the rates specified in the table above.

**For investments > Rs.3 Crore, the Prepaid Commission and Additional Prepaid Commission will be paid in 12 monthly equated instalments.

*** B15 Incentive/ Additional B15 Incentive on application amounts >= Rs. 10, 00,000 will be paid in 12 monthly equated instalments.

We look forward to your support and remain committed to building a mutually strong relationship with you.

Yours truly,



Ankur Thakore

National Head – Sales & Distribution

Commission Structure for L&T Business Cycles Fund- Terms and Conditions

(From 1st October 2014 to 31st December 2014)

General

- a) The aforesaid structure is effective from 1st October 2014 to 31st December 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) **Prepaid Commission and Additional Prepaid Commission** will be payable on fresh purchases, SIPs/STPs and switches from any scheme and paid in the month following the allotment of units. However, it will not be payable on re-investment of dividends.
- c) **Trail Commission** -19th month onwards: Trail will be applicable on all fresh purchases and switches subject to the assets staying with the Scheme for more than 18 months from the date of allotment. However on units allotted out of re-investment of dividend, it will be applicable from the date of allotment of new units subject to commencement of trail on original units. This will be calculated on the basis of the 'Daily Average Assets' on the NAV and payable monthly at the annualized rate mentioned above.
- d) In case the investment is redeemed within the exit load period, as applicable, the proportionate Prepaid Commission shall be recovered or set-off from other amounts payable.
- e) If the total commission payout 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,
- f) AMC reserves the right to change the Commission structure at its sole discretion.
- g) 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.
- h) 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.
- i) The rules and regulations of SEBI/AMFI pertaining to commission payment to distributors will also be applicable for payment of the commission as per the structure stated above.
- j) The aforesaid commission 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.
- k) 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:
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) B15 Incentive/ Additional B15 Incentive on application amounts \geq Rs. 10, 00,000 will be paid in 12 monthly equated instalments.
- e) In case the investment is redeemed (lump sum & SIP) within 12 months, the entire B15 incentive paid as above shall be recovered or set-off from other amounts payable in accordance with requirements of SEBI and/or AMFI.
- f) 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.
- g) Any claims by distributors to change the tagging will not be entertained.

Target Linked Incentive

- a) Only New Purchases and Switches from Debt Schemes (viz., L&T Triple Ace Bond Fund , L&T Income Opportunities Fund , L&T Flexi Bond Fund L&T Short Term Income Fund , L&T Gilt Fund , L&T Short Term Opportunities Fund , L&T Low Duration Fund , L&T Ultra Short Term Fund , L&T Floating Rate Fund , L&T Liquid Fund and L&T Cash Fund) will be considered for the Target Linked Incentive.
- b) The percentage of incentive will be applied on the basis of the Total Mobilisation under Equity & Balanced Funds including the L&T Business Cycles Fund, during the respective period and will be paid in the month following the end of quarter.
- c) The computation of incentive by the AMC will be considered to be final.