

## Commission Structure – For all Ongoing Schemes of Shriram Mutual Fund

Please find below the Commission structure for the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022

Gross Mobilization	1st Year Trail (%)	2nd Year Onwards Trail (%)
<b>Shriram Balanced Advantage Fund, Shriram Hybrid Equity Fund, Shriram Flexicap Fund (Lump Sum &amp; SIP), Shriram Long Term Equity Fund(Lump Sum &amp; SIP)</b>	<b>1.50</b>	<b>1.35</b>

**Notes:**

- **Additional 1.50% Trail in 1<sup>st</sup> year for mobilization from B-30 cities.**

As per SEBI circular dated October 22, 2018, B 30 additional trail commission (applicable for 1<sup>st</sup> year only) shall be payable for mobilization from retail investors from B-30 cities only; SEBI circular :SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019 has clarified that w.e.f April 15, 2019 , retail investors shall be those individual investors who invest up to Rs. 2 lakh per transaction.

In case the investment made from B-30 cities is redeemed/switched out to any other scheme, within one year from the subscription date, then entire Additional B -30 commission, paid till the date of redemption/switched out, shall be recovered or clawed back /set off from future commission payments.

- **Upfronting of Trail Commission for inflows from SIPs only**

The upfronting of trail commission shall be applicable for inflows from SIPs only of upto Rs. 3,000/- per month, per scheme, for an investor who is investing for the first time in mutual fund schemes (to be indentified on the basis of PAN). Such upfronting shall be upto 1%, payable yearly in advance, for a maximum period of 3 years.

Further, for such new investors (as identified above), only the first SIP(s) purchased shall be eligible for upfronting. If multiple SIP(s) are purchased on different dates, the SIP(s), in respect of which the installment starts on the earliest date, shall be considered for upfronting.

**Term and Conditions governing this commission and incentive structures:**

1. B-30/-T-30 cities list are as per AMFI list. Only ARN holders registered with our AMC shall be eligible for this commission structure.
2. Both online and physical forms of mobilization will be considered.
3. This structure is applicable for All ongoing Schemes of Shriram Mutual Fund.
4. Mobilization w.e.f. 01<sup>st</sup> Apr 2022 will be considered. However, Shriram Asset Management Ltd. reserves the right to change the Brokerage Rates applicable – Distribution Incentive / Trail in the intermittent period in case of Regulatory Changes / Change in Industry practices in respect to payment of Brokerage on Funds
5. The Annual Retention Trail (erstwhile incentive) will be applicable only for the individual investors, who invest upto Rs. 2 Lakh per transaction, from B-30 Cities. (Ref SEBI – SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018 and SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019).
6. Commission paid to you is inclusive of GST and all other taxes and are subject to change from time to time. You are requested to comply with GST law by furnishing your GSTIN no to AMFI and our unit at CAMS. The liability to pay GST on distribution commission is on service provider i.e. distributor w.e.f. July 1, 2017. Distribution commission payable by SAMC/SMF to the distributor is inclusive of GST and distributor is required to pay GST in order to comply with GST laws and provide invoice respectively.
7. Trail commission is payable monthly.
8. Please note that commission will be withheld if the total commission payable is less than Rs 500/-. Such commission will be paid in the subsequent payment cycle provided the commission amount exceeds Rs 500/-. Notwithstanding the amount of commission, it will be paid at the last cycle of financial year.
9. All the ARN holders are required to comply with KYD norms and with any circulars/guidelines issued from time to time.
10. As per SEBI guidelines proportionate claw back is applicable as recommended.
11. In event of redemption effected within the exit load tenure i.e. for residual exit load tenure of additional commission/recovered /clawed back/set off from future payments, at AMC sole discretion.
12. In case of any regulatory change with respect to Expense ratio, the past/present commission structure may be reviewed by AMC.
13. AMC shall not be responsible for any losses incurred due to regulatory change in commission/incentive/commission structure.
14. The rules and regulations of SEBI/AMFI pertaining to commission payments to registered ARN holders with our AMC shall be applicable for payment.
15. AMC reserves the right to change of modify the scheme and all disputes will be subject to Kolkata Jurisdiction.
16. AMC decision(s) shall be binding on all empanelled distributors.
17. Please read the Statement of Additional Information (SAI), Scheme Information Document (SID) and addendums to confirm the scheme details.
18. AMC reserves the right to withdraw/alter/modify/change incentive/brokerage/commission structure without prior intimation to distributors.
19. The brokerage/commission/remuneration structure is subject to the terms and conditions mentioned in the distributor agreement and Or/Empanelment Form, as may be amended from time to time.
20. As per AMFI circular ref. CIR/ ARN-13/11-12 dated October 14, 2011, the payment of commission (upfront/trail) accrued after the expiry of ARN is to be suspended till renewal of ARN. No commission shall be paid for new business procured during the suspended period of ARN. In case ARN is not renewed within 6 months of expiry, the entire commission accrued will be written off. Also commissions will be suspended if distributors do not furnish self-declaration certificate within 3 months of the end of the financial year. Kindly refer the circular for more details.
21. Investments by Non – Residential Indians (NRI) & other eligible Foreign investors will be considered as T – 30 business.
22. All ARN holders are required to comply with the norms related to Know Your Distributor (KYD) as per AMFI circular dated August 27, 2010. The payment of Commission shall be suspended till the Distributor complies with this requirement
23. This letter will supersede any other incentive/ brokerage communication issued earlier for the above period.



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