



### 1. What is the Direct Plan?

Direct plan is an option given to an investor to purchase /subscribe units of a scheme directly with the fund and not through a distributor w.e.f 1<sup>st</sup> Jan 2013

### 2. Who can subscribe the units under Direct Plan?

**Ans :** All categories of investors (whether existing or new Unit holders) as permitted under the Scheme Information Document of the Schemes are eligible to subscribe under Direct Plan

### 3. What are the eligible schemes under the Direct Plan?

**Ans :** Direct Plan shall be introduced in the following schemes of the Fund:

- a) All open-ended schemes of the Fund except (i) Exchange Traded Funds and (ii) Plans discontinued for further subscriptions;
- b) New Fund Offer of Fixed Maturity Plans under close-ended schemes of the Fund launched on or after the Effective Date; and
- c) Interval Schemes (commencing from the first day of the Specified Transaction Period immediately succeeding the Effective Date).

### 4. What are the plans / Options / Sub-options applicable for Direct Plan?

**Ans :** All Plans / Options / Sub-Options offered under the Schemes (“Existing Plan”) will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be 2 Plans available for subscription under the Schemes

	<b>Existing Plan</b>	<b>Direct Plan (introduced w.e.f. January 1, 2013)</b>
<b>Subscription Plan</b>	XYZ Equity Fund	XYZ Equity Fund – Direct Plan
<b>Investment Route</b>	Investors routing their investments through Distributor	Investors investing directly with the Fund
<b>Options</b>	<ul style="list-style-type: none"><li>• Growth Option</li><li>• Dividend Option (Payout &amp; Re-investment)</li></ul>	<ul style="list-style-type: none"><li>• Growth Option</li><li>• Dividend Option (Payout &amp; Re-investment)</li></ul>

### 5. What are the common attributes between Direct & Regular Plan?

**Ans :** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Regular Plan and the Direct Plan

## 6. How is Direct plan different from Regular plan?

**Ans :** Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan subsequently there would a difference in NAV.

## 7. What should an investor do for subscribing the units under Direct Plan?

**Ans :** Investor who wishes to subscribe under Direct Plan of XYZ Equity Fund will have to indicate the Scheme / Plan name in the application form as “**XYZ Equity Fund – Direct Plan**” and should also mention “**Direct**” in the ARN column of the application form.

## 8. If the distributor code is mentioned in the application form, but the “Direct Plan” is indicated against the scheme name, under the which plan units would be allotted?

**Ans : In Such a scenario** the Distributor code will be ignored and the application will be processed under Direct Plan.

## 9. What happens when application is received for Existing Plan without Distributor code or “Direct” mentioned in the ARN Column?

**Ans** The application will be processed under Direct Plan.

## 10. Would there be a exit load:

**A )If I want Switch from Regular Plan (whether the investments were made before or after the Effective Date) to Direct Plan where the transaction has been received without broker code in the Regular Plan**

**Ans** No.

**Would there be a exit load:**

**B) If I want Switch from Regular Plan (whether the investments were made before or after the Effective Date) to Direct Plan where the transaction has been received with broker code in the Regular Plan.**

**Ans .** Yes, Applicable exit load would be charged.

## 11. What are the Investment modes available for subscribing Direct Plan?

**Ans :** Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund {**except Stock Exchange Platform(s) and all other Platform(s) where investors’ applications for subscription of units are routed through Distributors**}.

## 12. I have registered the SIP/STP/ Dividend Sweep without the distributor code prior to the effective date of the direct plan, under which plan the units would be allotted for my future SIP/STP transactions post effective date?

**Ans :** In case of Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) etc registered prior to the Effective Date **without any distributor code** under the Existing Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan.

**13. I have registered the SIP/STP /Dividend Sweep with the distributor code prior to the effective date of the direct plan. However I wish that the units to be allotted under direct plan for my future SIP/STP installments , is it possible to do so?**

**Ans :** Yes, Investors who want to avail this option shall make a written request to the Fund on this behalf. The Fund will take **at least 21 days** to process such requests. Intervening installments will continue in the Existing Plan. The terms and conditions of the existing registered enrolment shall continue to apply.

**14.I am holding the units under both Existing and Direct Plan in the same scheme , how do I apply for the redemption?**

**Ans :** Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number), failing which the request would be processed from the Existing Plan. However, where Units under the requested Option are held only under one Plan, the request would be processed under such Plan.

**15. What are tax implications for direct plan?**

**Ans :** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

**16. If application is received without any Distributor Code in the Existing Plan after cut-off time on December 31, 2012 under which plan units would be allotted?**

**Ans :** Where application is received without any Distributor Code in the Existing Plan **after cut-off time** on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV.

**17. If the application is received without any Distributor Code in the Existing Plan before cut-off time on December 31, 2012 under which plan units would be allotted?**

**Ans :** Where application is received without any Distributor Code in the Existing Plan **before cut-off time** on December 31, 2012, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.

**Unitholders / investors are requested to refer to the following FAQs for applicability of exit load on switch of units from Regular Plan to Direct Plan and Vice Versa, effective from April 01, 2013.**

**1. What is the applicable exit load for switch of investments from regular plan to direct plan?**

**Ans:** a. Switch of investments from Regular Plan to Direct Plan where the transaction has been received without broker code (before January 01, 2013) in the Regular Plan shall not be subject to exit load. However, any subsequent switch / redemption transaction shall be subject to exit load based on the original date of investment in the Regular Plan and not from the date of switch into Direct Plan.

b. In case of switch of investments from Regular Plan to Direct Plan, received with broker code in the Regular Plan, the exit load as applicable to redemption of units under the respective scheme(s) shall apply. However, any subsequent switch-out or redemption of such investment shall not be subject to exit load.

**2. What is the applicable exit load for switch of investments from direct plan to regular plan?**

**Ans:** In case of switch of investments from Direct Plan to Regular Plan, no exit load shall be levied. However, any subsequent switch-out or redemption of such investment shall be subject to exit load based on the original date of investment in the Direct Plan and not from the date of switch into Regular Plan.

**3. What is the applicable exit load for switch of investments held under discontinued plans / regular plan to direct plan?**

**Ans:** a. Investors wishing to transfer their accumulated unit balance held under discontinued plans and Regular Plan (through lumpsum / systematic investments made with Distributor code) to Direct Plan can switch their investments (subject to applicable Exit Load, if any) to Direct Plan. However, any subsequent switch-out or redemption of such investment shall not be subject to exit load.

b. Investors wishing to transfer their accumulated unit balance held under discontinued plans and Regular Plan (through lumpsum / systematic investments made without Distributor code) to Direct Plan can switch their investments, without Exit Load, to Direct Plan. However, any subsequent switch / redemption of such investment shall be subject to exit load based on the original date of investment in the Regular Plan / Discontinued Plans and not from the date of switch into Direct Plan.