

TERMS & CONDITIONS

The following words and expressions shall have the following meaning specified herein:

- **HDFC FLEXINDEX PLAN:** HDFC FLEXINDEX PLAN (hereinafter referred to as the 'Plan') is a facility provided to the Unit holders of Source scheme(s) to set triggers based on the predetermined event to enable HDFC Mutual Fund (hereinafter referred to as the 'Fund') to automatically transfer on behalf of the Unit holder(s) the specified percentage of the amount registered in the Source scheme(s) to select Target scheme(s) on the trigger date(s) occurring during the period of 1 year from the date of registration under the Plan.
- **Source Scheme(s):** Source Scheme(s) are the following scheme(s) offered by HDFC Mutual Fund, eligible under the Plan:
HDFC Cash Management Fund- Call Plan, Savings Plan and Treasury Advantage Plan, HDFC Liquid Fund, HDFC Liquid Fund - Premium Plan and HDFC Floating Rate Income Fund- Short Term Plan, HDFC Short Term Plan and HDFC High Interest Fund - Short Term Plan, eligible under the Plan.
- **Target Scheme(s):** Target Scheme(s) are the following scheme(s) offered by HDFC Mutual Fund, eligible under the Plan:
HDFC Growth Fund, HDFC Equity Fund, HDFC Top 200 Fund, HDFC Capital Builder Fund, HDFC Index Fund, HDFC Core & Satellite Fund, HDFC Premier Multi-Cap Fund, HDFC Prudence Fund and HDFC Balanced Fund.
The above list i.e. Source Scheme(s) and Target Scheme(s) is subject to change from time to time. Please contact the nearest Investor Service Centre (ISC) of HDFC Mutual Fund for updated list.
- **Trigger:** Trigger means the predetermined event set by the Unit holder(s) of the Source scheme.
- **Amount Registered:** The amount registered is the amount specified by the Unit holder in the enrolment form to avail the Plan.
- **Index:** "BSE SENSEX"
- **Trigger Date:** The trigger date is the date on which the closing value of Index reaches or crosses the Index level(s) as indicated by the Unit holder(s) in the enrolment form.
- **Predetermined event:** Predetermined event is the reaching or crossing of closing Index level(s) as specified by the Unit holder during the period of 1 year from the date of registration under the Plan.
- **Plan period:** Plan period is the period of 1 year from the date of registration of the Unit holder under the Plan.

General Terms and Conditions:

- a. The Enrolment Form should be completed in **ENGLISH** and in **BLOCK LETTERS** only. Please do not overwrite. For any correction / changes (if any) made on the application form, applicants are requested to authenticate the same by canceling and re-writing the correct details and counter-signed by the sole/all applicants. The Enrolment Form complete in all respects should be submitted at any of the Investor Service Centres (ISCs) of HDFC Mutual Fund.
- b. Existing Unit holders in the Source scheme(s) are required to submit only the HDFC FLEXINDEX PLAN Enrolment Form. Existing Unit holders should provide only Folio Number, complete details in section 2 and proceed to Section 5. Unit holders' details and mode of holding (single, jointly, anyone or survivor) will be as per the existing folio number and would prevail over any conflicting information furnished in this form.
- c. **Enrolment forms incomplete in any respect are liable to be rejected.** The AMC / Trustee retains the sole and absolute discretion to reject any enrolment form.
- d. Investors must use separate Enrolment Forms for investing simultaneously in different Source schemes/ Plans / Options. Investors can indicate only one Target Scheme in each Enrolment Form.
- e. Investors are advised to read the Offer Document(s)/ Scheme Information Document(s) of the Scheme(s) carefully before investing. The Offer Document(s)/ Key Information Memorandum(s) of the respective Scheme(s) are available with the ISCs of HDFC Mutual Fund, brokers/distributors and also displayed at the HDFC Mutual Fund website i.e. www.hdfcfund.com
- f. **Load structure:**
The amount transferred from the Source Scheme to the Target Scheme shall be effected by redeeming units of Source Scheme at applicable NAV, **without payment of any Exit Load, if any, and subscribing to the units of the Target Scheme at applicable NAV, subject to payment of an Entry Load as under:**
 - Applications routed through any distributor / agent / broker:
2.25% in respect of each investment less than Rs.5 crore;
 - Nil in respect of each investment equal to or greater than Rs. 5 crore.
 - Applications not routed through any distributor / agent / broker (Direct Applications): Nil.
- g. **Exit Load:**
 - In respect of **each** investment less than Rs. 5 crore in value, an Exit Load of **1%** is payable if units are redeemed / switched-out from the target scheme on or before 1 year from the date of allotment of units.
 - In respect of **each** investment equal to or greater than Rs. 5 crore in value, no Exit Load is payable.
The Trustee reserves the right to change / modify the load structure at a later date on prospective basis.
- g. An Account Statement will be issued by mail or by e-mail (if opted by the Unit holder) to the Unit holder within 10 working days of each investment through this Plan. In case of specific request received from investors, Mutual Fund will provide the account statement to the investors within 5 working days from the receipt of such request without any charges.
- h. **Permanent Account Number (PAN)**
SEBI has made it mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her permanent account number (PAN) irrespective of the amount of purchase*. Where the applicant is a minor, and does not possess his / her own PAN, he / she shall quote the PAN of his/ her father or mother or the guardian, as the case may be. However PAN is not mandatory in the case of Central Government, State Government entities and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. HDFC Mutual Fund reserves the right to ascertain the status of such entities with adequate supporting documents.

In order to verify that the PAN of the applicants (in case of application in joint names, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach along with the purchase* application, a photocopy of the PAN card duly self-certified along with the original PAN Card. The original PAN Card will be returned immediately across the counter after verification.

* includes fresh/additional purchase, Systematic Investment.

Further, as per the Notification No. 288 dated December 1, 2004, every person who makes payment of an amount of Rs.50,000 or more to a Mutual Fund for purchase[^] of its units should provide PAN.

[^] includes fresh/additional purchase, switch, Systematic Investment / Transfer and Dividend Reinvestment/ Dividend Transfer.

Since dividend reinvestment/ transfer of Rs.50,000 or more qualifies as purchase of units for aforesaid Notification, PAN is required to process such reinvestment/ transfer, failing which dividend reinvestment/ transfer shall be automatically converted into payout option.

i. Know Your Customer (KYC) Compliance

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines/circulars issued by SEBI regarding the Anti Money Laundering (AML Laws), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verify and maintain the record of identity and address(es) of investors.

In order to make the data capture and document submission easy and convenient for the investors, Mutual Fund Industry has collectively entrusted the responsibility of collection of documents relating to identity and address of the investor(s) to an independent agency [presently CDSL Ventures Limited ("CVL")] which will act as central record keeping agency ("Central Agency"). As a token of having verified the identity and address of the investor(s) and for efficient retrieval of records, the Central Agency will issue a KYC Acknowledgement Letter (previously known as Mutual Fund Identification Number - MIN* Allotment Letter) to each investor who submits an application and the prescribed documents to the Central Agency.

Investors should note that it is mandatory for all applications for subscription of value of Rs.50,000/- and above to quote the KYC Compliance Status of each applicant (guardian in case of minor) in the application for subscription and attach proof of KYC Compliance viz. KYC Acknowledgement Letter (or the erstwhile Mutual Fund Identification Number* (MIN) Allotment Letter) / Printout of KYC Compliance Status downloaded from CVL website (www.cvlindia.com) using the PAN Number. Applicants intending to apply for units through a Power of Attorney (PoA) must ensure that the issuer of the PoA and the holder of the PoA must mention their KYC Compliance Status and attach proof of KYC Compliance at the time of investment above the threshold.

The KYC status will be validated with the records of the Central Agency before allotting units. HDFC Mutual Fund will not be held responsible and/or liable for rejection of KYC Form, if any, by the Central Agency. Applications for subscriptions of value of Rs. 50,000 and above without a valid KYC compliance may be rejected. Provided further, where it is not possible to verify the KYC compliance status of the investor at the time of allotment of units, the Trustee / AMC shall verify the KYC compliance status of the investor within a reasonable time after the allotment of units. In the event of non-compliance of KYC requirements, the Trustee / AMC reserves the right to freeze the folio of the investor(s) and affect mandatory redemption of unit holdings of the investors at the applicable NAV, subject to payment of exit load, if any.

* Valid only where investors who have already obtained the erstwhile Mutual Fund Identification Number (MIN) by submitting the PAN copy as the proof of identity.

TERMS AND CONDITIONS FOR HDFC FLEXINDEX PLAN:

1. The minimum Unit holder's account balance or a minimum amount of investment in the Source scheme at the time of enrolment under the Plan should be Rs.20,000/- and in multiples of Rs.1,000/- thereafter.
However, the Unit holder has to comply with the provision of Minimum Application Amount in the Source scheme as mentioned in the Offer Document(s)/ Scheme Information Document(s)/ Key Information Memorandum(s).
2. The Unit holders of the Source scheme(s) have to set triggers based on the predetermined event.
3. On occurrence of predetermined events, the Fund on behalf of the Unit holders will automatically transfer the specified percentage of the amount registered in the Source scheme(s) to select Target scheme(s) on the trigger date(s).
4. The trigger date(s) occurring during the period of 1 year from the date of registration of the Unit holder under the Plan shall only be covered.
5. There will be four blank spaces in the form for the Unit holder to indicate the closing Index levels of his choice. **Investors are compulsorily required to fill all four Index levels or else the form would be rejected. The Index levels filled in by the Unit holder must be in multiples of 100 points, e.g. 9,600, 10300, 8900, 11700, etc.** Index levels in ascending order or descending order or vice-a-versa or combination of both may be indicated.
6. Unit holders under the Plan are offered twin enrolment options viz. Flexible Instalment option and Fixed Instalment option. Unit holders will use separate form for enrolling under each option. In case of valid enrolment forms are received without indicating any choice of option, the default option considered for processing the form will be Fixed Instalment option.
7. Under Flexible Instalment option the minimum percentage to be indicated against each Index level trigger is 10% and in multiples of 1% thereafter and under Fixed Instalment option the percentage indicated against each Index level trigger is fixed at 25%. **The cumulative percentage under each option will be equal to 100.**
8. The amount registered under the Plan as indicated in (1) above will be considered for calculating either flexible or fixed percentage (as opted by the Unit holders).
9. On the trigger date, the specified percentage of the amount registered will be transferred in the Target Scheme.
10. Upon transfer of the registered amount into the Target scheme, the transaction will be processed by creation of units at the closing NAV of the same day i.e. the trigger date. **Once a transaction is processed, the same will not be reversed and it will be final and binding upon the Unit holder.**
11. The AMC will require atleast 7 calendar days from the date of submission of valid enrolment forms to register the Unit holder under the Plan. Therefore, in the intervening period i.e. between the date of submission of the enrolment form and the date of registration, if any of the triggers (i.e. closing Index levels) as

indicated by the unit holder is reached or crossed, the same will not be taken into consideration for activation of the Plan. Upon registration the Unit holders will be sent a confirmation by mail or email or SMS (as opted by the Unit holder).

The amount registered as mentioned in (1) above, must be available in the Source scheme at the time of registration.

12. The trigger once activated and processed, becomes inactive. For e.g. if the Trigger is activated at Index level of 8200 on the Trigger date and the specified percentage of the registered amount is transferred to the Target scheme and the said trigger becomes inactive, and subsequently, in case the Index level again touches 8200 at a later date during the period of the Plan, the Trigger being inactive, will not be processed.
13. If on a particular business day the trigger gets activated in such a manner that two or more Index levels are reached or crossed, the transactions will be processed by transferring the cumulative percentages of the amount registered against each of the triggered levels into the Target scheme. For e.g. if the Unit holder has enrolled in the following option:

| Serial no. | Index Levels | % to be switched |
|------------|--------------|------------------|
| 1 | 9600 | 25 |
| 2 | 9300 | 25 |
| 3 | 10400 | 25 |
| 4 | 11200 | 25 |

Assume the following scenarios:

Opening Index Level on April 1, 2009: 9700 points. The closing Index Level touches 9250 points. As a result 2 Index levels are triggered, one at 9600 and second at 9300, which means 50% of the registered amount will be switched into the select Target scheme. In the above example if Rs 1 lac has been enrolled for the trigger plan, then Rs. 50,000 will be switched into the select target scheme and the units will be allotted at the closing NAV of April 1, 2009.

14. For all predetermined events the amount registered under the Plan shall be computed based on the value of the unit balance in the Source scheme, prevailing on the respective trigger date(s). The transactions will be processed by the Fund only after verifying that the registered amount on each trigger date is equal to or more than the percentage value of the flexible/fixed trigger options (as indicated by the Unit holders). In case the value of the unit balance in the Source scheme on the trigger date is less than the percentage value of the flexible/fixed trigger options or the balance is nil, then the said trigger will not be processed.

For e.g. The trigger gets activated. Assuming that flexible / fixed trigger option indicated by the Unit holder against the trigger is 25%. On the trigger date the balance in the Source scheme is Rs.23000/-, whereas the amount registered for the facility is Rs.1,00,000/-, the trigger will not be processed as the balance in the Source Scheme is less than the percentage value of the flexible / fixed trigger options (i.e. 25,000, being 25% of Rs.1,00,000). Subsequently, at a later date, in case the trigger gets activated again and the balance available in the Source scheme is equal to or more than the registered amount, the trigger will be processed.

15. Whenever, redemption request is received from the Unit holder in the Source scheme and the event also gets triggered on the same date (i.e. the date of redemption request and the trigger date coincide), then, redemption transaction will always be processed first.
16. In case there is an all unit redemption and Unit balance in the Source scheme is reduced to Nil even then the Plan will continue for a period of 1 year from the date of registration.
17. On completion of 1 year from the date of registration, in case Nil Triggers or few Triggers are activated, then the balance of the amount registered under the Plan will be automatically transferred into the Target scheme in 6 equal monthly instalments on 1st of every month (or immediately following business day, if that day is not a business day), provided the balance amount is not less than the minimum amount of transfer per instalment under Systematic Transfer Plan (STP) of the respective Target schemes. Load Structure as prevailing under STP will be applicable and the transfers will be subject to STP terms and conditions.
18. In case, the balance amount registered under the Plan falls below the minimum amount of transfer per instalment under STP as indicated in (18) above, the same shall continue to remain invested in the Source scheme.
19. The Unit holders will have an option of multiple registrations in the Plan. Separate forms must be used for each registration.
20. The provision of 'Minimum Redemption Amount' as specified in the offer document(s) of the Source schemes will not be applicable for HDFC FLEXINDEX PLAN. Whereas, the provision of 'Minimum Application Amount' specified in the offer document(s) of the Target schemes will be applicable for HDFC FLEXINDEX PLAN.
21. HDFC FLEXINDEX PLAN will be automatically terminated if all units of Source Scheme are pledged or upon receipt of intimation of death of the Unit holder.
22. Unit holders will have the right to discontinue the Plan at any time by sending a written request to the ISC. Notice of such discontinuance shall be made effective within 7 calendar days from the date of receipt of the said request. Triggers, which may get activated until the effective date of discontinuance shall be processed in accordance with the terms, laid hereinabove.
23. The Trustee reserves the right to change the indices under the Plan on a prospective basis.
24. The Trustee reserves the right to change the terms and conditions of HDFC FLEXINDEX PLAN. The Trustee also reserves the right to withdraw the Plan.
25. If a Trigger is not achieved and/or implemented due to reasons which are beyond the control of HDFC Mutual Fund / HDFC Asset Management Company Limited (HDFC AMC), HDFC Mutual Fund / HDFC AMC shall not be held responsible. HDFC FLEXINDEX PLAN is only a facility extended by HDFC Mutual Fund for the convenience of the Unit holders and does not form part of any Scheme objective.
26. **HDFC FLEXINDEX PLAN in any manner whatsoever is not an assurance or promise or guarantee on part of HDFC Mutual Fund/ HDFC AMC to the Unit holders in terms of returns or capital appreciation or minimization of loss of capital or otherwise.**
27. All rights in the SENSEX vest in Bombay Stock Exchange Limited ("BSE"). BSE shall not be held liable or responsible in any manner whatsoever for any loss arising to any investor under this Plan. The Plan is not sponsored, endorsed, sold or promoted by BSE.