

DSP MUTUAL FUND

SCHEME INFORMATION DOCUMENT

DSP EQUITY FUND

Multi Cap Fund- An open ended equity scheme investing across large cap, mid cap, small cap stocks.

This open ended Scheme is suitable for investor who are seeking*

- Long-term capital growth
- Investment in equity and equity-related securities to form a diversified portfolio

* Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.



Continuous Offer of units at NAV based prices

Name of Mutual Fund	: DSP Mutual Fund
Name of Asset Management Company	: DSP Investment Managers Private Limited (Formerly Known as DSP BlackRock Investment Managers Private Limited)
Name of Trustee Company	: DSP Trustee Private Limited (Formerly Known as DSP BlackRock Trustee Company Private Limited)
Addresses of the entities	: Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400 021
Website	: www.dspim.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of DSP Mutual Fund, Tax and Legal issues and general information on www.dspim.com. SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website

The SID should be read in conjunction with the SAI and not in isolation.

This SID is dated April 25, 2020

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SECTION I. HIGHLIGHTS/SUMMARY OF THE SCHEME					
Type of Scheme	Multi Cap Fund- An open ended equity scheme investing across large cap, mid cap, small cap stocks.				
Investment Objective	The primary investment objective of the Scheme is to seek to generate long term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India. This shall be the fundamental attribute of the Scheme. There is no assurance that the investment objective of the Scheme will be realized.				
Plan Available under the Scheme	<ul style="list-style-type: none"> • Regular Plan • Direct Plan <p>The Plans under the Scheme will have common portfolio.</p>				
Options Available under both the plans	<ul style="list-style-type: none"> • Growth* • Dividend <ul style="list-style-type: none"> ▪ Payout Dividend ▪ Reinvest Dividend <p>* default option</p>				
Minimum Application Amount (First purchase and subsequent purchase)	Rs. 500/- and any amount thereafter.				
Minimum installment for Systematic Investment Plan (SIP)	Rs. 500/-				
Minimum installment for SWP and STP	Rs. 500/-				
Loads	<table border="1"> <tr> <td>Entry Load:</td> <td>Not Applicable</td> </tr> <tr> <td>Exit Load (as a % of Applicable NAV)</td> <td> <p>Holding period from the date of allotment: < 12 months - 1% >= 12 months - Nil</p> <p>Note: No exit load shall be levied in case of switch of investment from Regular Plan to Direct Plan and vice versa.</p> </td> </tr> </table>	Entry Load:	Not Applicable	Exit Load (as a % of Applicable NAV)	<p>Holding period from the date of allotment: < 12 months - 1% >= 12 months - Nil</p> <p>Note: No exit load shall be levied in case of switch of investment from Regular Plan to Direct Plan and vice versa.</p>
	Entry Load:	Not Applicable			
Exit Load (as a % of Applicable NAV)	<p>Holding period from the date of allotment: < 12 months - 1% >= 12 months - Nil</p> <p>Note: No exit load shall be levied in case of switch of investment from Regular Plan to Direct Plan and vice versa.</p>				
Liquidity	The Mutual Fund will endeavor to dispatch redemption proceeds within 3 Business Days from the date of the acceptance of redemption request.				
Benchmark Index	Nifty 500 Index TRI				
Transparency/NAV Disclosure	<p>In case of unit holders whose email addresses are registered with the Fund, the AMC shall send monthly/half yearly portfolio via email within 10 days from the end of each month/ half year. The monthly/half yearly portfolio of the Scheme shall be available in a user-friendly and downloadable spreadsheet format on the AMFI's website www.amfiindia.com and website of the AMC viz. www.dspim.com on or before the 10th day of succeeding month.</p> <p>The AMC shall publish an advertisement every year disclosing the hosting of the scheme wise annual report on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p>				

	<p>The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p> <p>Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. NAV will be calculated and declared on every Business Day, except in special circumstances described under 'Suspension of Sale and Redemption of Units' in the SAI. The AMC will declare separate NAV under Regular Plan and Direct Plan of Scheme.</p> <p>Refer relevant disclosures mentioned in the Statement of Additional Information ('SAI') available on the AMC's website. i.e. www.dspim.com.</p>
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Note:

1. Switch facility and the facility of SWP & STP are currently not available for transactions carried out through the stock exchange mechanism

SECTION II. DEFINITIONS

Applicable NAV	The NAV applicable for purchase or redemption based on the time of the Business Day on which the subscription/redemption request is accepted.
AMC or Investment Managers or DSPIM	DSP Investment Managers Private Limited, (Formerly Known as DSP BlackRock Investment Managers Private Limited) the asset management company, set up under the Companies Act, 1956, and authorised by SEBI to act as the asset management company to the Scheme of DSP Mutual Fund
Bank	A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets.
Banking as per Banking Regulation Act, 1949	As per Section 5(b) of Banking Regulation Act, 1949, banking means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise. As per Section 5(c) of Banking Regulation Act, 1949 a “Banking Company” means any company which transacts the business of banking in India.
Beneficial owner	Beneficial Owner as defined in the Depositories Act, 1996 means a person whose name is recorded as such with a depository.
Business Day	A day other than (i) Saturday and Sunday, (ii) a day on which the National Stock Exchange is closed and (iii) a day on which Sale and Redemption of Units are suspended.
Central Government Securities	Securities created and issued by the Central Government, as such Government Securities defined under Section (2) of the Public Debt Act, 1944 (18 of 1944)
Custodian	Citibank N.A., Mumbai branch, acting as a custodian to the Scheme, or any other Custodian who is approved by the Trustee.
Depository	A Depository as defined in the Depositories Act, 1996 and includes National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).
Depository Participant (DP)	Depository Participant (DP) is an agent of the Depository which acts like an intermediary between the Depository and the investors. DP is an entity which is registered with SEBI to offer depository-related services.
Direct Plan	Direct Plan is a separate plan for direct investments i.e. investments not routed through a distributor.
DSPEF/Scheme	DSP Equity Fund
Entry Load	Load on purchase of Units.
Exit Load	Load on redemption of Units.
First time mutual fund investor	An investor who invests for the first time ever in any mutual fund either by way of subscription or systematic investment plan.
FPI	Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
Fund of Funds/FOF	A mutual fund Scheme that invests primarily in other Scheme of the same mutual fund or other mutual funds.

Investment Management Agreement	The Agreement dated December 16, 1996, entered into between DSP Trustee Private Limited And DSP Investment Managers Private Limited , as amended from time to time.
Mutual Fund/ Fund	DSP Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882, and registered with SEBI vide Registration No. MF/036/97/7.
NAV	Net Asset Value of the Units of the Scheme (and Plans and Options, if any, therein) calculated in the manner provided in this SID or as may be prescribed by the SEBI (MF) Regulations from time to time.
Non Business Day	A day other than a Business Day.
Offer Document	This Scheme Information Document (SID) and Statement of Additional Information (SAI) (collectively).
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
Registrar and Transfer Agent or RTA	Computer Age Management Services Limited
Scheme Information Document	This document issued by DSP Mutual Fund, offering Units of DSPEF.
Self Certified Syndicate Banks	The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process as provided on www.sebi.gov.in .
Statement of Additional Information/SAI	A document containing details of the Mutual Fund, its constitution, and certain tax, legal and general information and legally forming a part of the SID.
SEBI	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
Sponsors or Settlers	DSP ADIKO Holdings Private Limited & DSP HMK Holdings Private Limited
Stock Exchange/Exchange	BSE Limited, NSE or any other recognized stock exchange in India, as may be approved by the Trustee.
Stock Exchange Trading mechanism/ Platforms	MFSS (platform offered by NSE), BSE StAR MF (platform offered by BSE) or any other recognised stock exchange trading platform, with whom the AMC registers itself to facilitate transactions in mutual fund units.
Trust Deed	Trust Deed dated December 16, 1996 and all supplemental Trust Deed to the original Trust Deed executed on December 16, 1996.
Trustee	DSP Trustee Private Limited, (Formerly Known as DSP BlackRock Trustee Company Private Limited) a company set up under the Companies Act, 1956 and approved by SEBI to act as the Trustee to the Scheme of DSP Mutual Fund.
Unit	The interest of an investor which consists of one undivided share in the Unit Capital of the relevant Option in each of the Plans under the Scheme offered by this SID.
Unit Holder/Unitholder/ Investor	A participant/holder of Units in the Scheme offered under this SID.

SECTION III - ABBREVIATIONS & INTERPRETATIONS

In this SID the following abbreviations have been used:

AMC:	Asset Management Company	MBS:	Mortgaged Backed Securities
AMFI :	Association of Mutual Funds in India	MFSS:	Mutual Fund Service System
AML:	Anti-Money Laundering	MFU:	MF Utilities India Private Limited
ABS:	Asset Backed Securities	NAV:	Net Asset Value
ASBA:	Application Supported by Blocked Amount	NEFT:	National Electronic Funds Transfer
AOP:	Association of Person	NFO:	New Fund Offer
BSE:	BSE Ltd.	NRI:	Non-Resident Indian
BSE StAR MF:	BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds	NRE:	Non Resident External
CAS:	Consolidated Account Statement	NRO:	Non Resident Ordinary
CAMS:	Computer Age Management Services Limited	NSE / National Stock Exchange:	National Stock Exchange of India Limited
CDSL:	Central Depository Services (India) Limited	NSDL:	National Securities Depository Limited
		OTC:	Over the Counter
DFI:	Development Financial Institutions	OTM:	One Time Mandate
DTP:	Dividend Transfer Plan	POA:	Power of Attorney
DP:	Depository Participant	PIO:	Person of Indian Origin
ECS:	Electronic Clearing System	PMLA:	Prevention of Money Laundering Act, 2002
EFT:	Electronic Funds Transfer	POS:	Points of Service
FPI:	Foreign Portfolio Investor	PSU:	Public Sector Undertaking
FRA:	Forward Rate Agreement	RBI:	Reserve Bank of India
FIRC:	Foreign Inward Remittance Certificate	RTGS:	Real Time Gross Settlement
FOF:	Fund of Funds	SEBI:	Securities and Exchange Board of India
FPI:	Foreign Portfolio Investor	SI:	Standing Instructions
FATCA:	Foreign Account Tax Compliance Act	SIP:	Systematic Investment Plan
Flex STP:	Flex Systematic Transfer Plan	SWP:	Systematic Withdrawal Plan
HUF:	Hindu Undivided Family	STP:	Systematic Transfer Plan
IMA:	Investment Management Agreement	STT:	Securities Transaction Tax
IRS:	Interest Rate Swap	SCSB:	Self Certified Syndicate Bank
ISC:	Investor Service Centre	SLR:	Statutory Liquidity Ratio
KYC:	Know Your Customer	UBO:	Ultimate Beneficial Ownership
LTV:	Loan to Value Ratio	Value STP :	Value Systematic Transfer Plan
TRI:	Total Return variant of the Index	TREPs:	Tri-Party Repurchase Agreement

INTERPRETATION

For all purposes of this SID, except as otherwise expressly provided or unless the context otherwise requires:

- The Terms defined in this SID include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.
- All references to “US\$” refer to United States Dollars and “Rs. INR” refer to Indian Rupees. A “Crore” means “ten million” and a “Lakh” means a “hundred thousand”.
- References to times of day (i.e. a.m. or p.m.) are to Mumbai (India) times and references to a day are to a calendar day including non-Business Day.

SECTION IV - INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in mutual fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk, including the possible loss of principal.
- As the price / value / interest rates of the securities in which the Scheme invest fluctuates, the value of your investment in the Scheme may go up or down. In addition to the factors that affect the value of individual investments in the Scheme, the NAV of the Scheme can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsors are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Mutual Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

Specific Risk Factors

- **Market Liquidity Risk:**

The liquidity of investments made in the Scheme may be restricted by trading volumes, settlement periods and transfer procedures. Although the investment universe constitutes securities which will have high market liquidity, there is a possibility that market liquidity could get impacted on account of company/sector/general market related events and there could be a price impact on account of portfolio rebalancing and/or liquidity demands on account of redemptions.

Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. By the same token, the inability to sell securities held in the Scheme' portfolios, due to the absence of a well developed and liquid secondary market for debt securities, would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme' portfolios.

Money market securities, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.

- **Market Liquidity Risk with fixed rate Government securities:**

Even though the Government securities market is more liquid compared to other debt instruments, on occasion, there could be difficulties in transacting in the market due to extreme volatility leading to constriction in market volumes. Liquidity of the Scheme may suffer in case any relevant guideline issued by RBI undergoes any adverse changes.

- **Credit Risk:**

Fixed income securities (debt and money market securities) are subject to the risk of an issuer's

inability to meet interest and principal payments on its debt obligations. The Investment Manager will endeavour to manage credit risk through in-house credit analysis.

Different types of securities in which the Scheme would invest as given in the SID carry different levels of credit risk. Accordingly the Scheme' risk may increase or decrease depending upon their investment patterns. E.g. corporate bonds carry a higher amount of risk than Government securities. Further, even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.

- **Rating Migration Risk:**

Fixed income securities are exposed to rating migration risk, which could impact the price on account of change in the credit rating. For example: One notch downgrade of a AAA rated issuer to AA+ will have an adverse impact on the price of the security and vice-versa for an upgrade of a AA+ issuer.

- **Term Structure of Interest Rates (TSIR) Risk:**

The NAV of the Scheme' Units, to the extent that the Scheme are invested in fixed income securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

- **Re-investment Risk:**

The investments made by the Scheme are subject to reinvestment risk. This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the 'interest on interest' component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.

- **Market Risk related to equity and equity related securities:**

Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risks.

- **Risk associated with floating rate securities:**

To the extent the Scheme' investments are in floating rate debt instruments or fixed debt instruments swapped for floating rate return, they will be affected by: Interest rate movement (Basis Risk) - Coupon rates on floating rate securities are reset periodically in line with the benchmark index movement. Normally, the interest rate risk inherent in a floating rate instrument is limited compared to a fixed rate instrument. Changes in the prevailing level of interest rates will likely affect the value of the Scheme' holdings until the next reset date and thus the value of the Scheme' Units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The Mutual Fund could be exposed to interest rate risk (i) to the extent of time gap in the resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture interest rate changes appropriately; Spread Movement (Spread Risk) - Though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments; Settlement Risk (Counterparty Risk) - Specific floating rate assets may also be created by swapping a fixed return into a floating rate return. In such a swap, there is the risk that the counterparty (who will pay floating rate return and receive fixed rate return) may default; Liquidity Risk: The market for floating rate securities is still in its evolutionary stage and therefore may render the market illiquid from time to time, for such securities that the Scheme are invested in.

- **Risks associated with mid-cap and small-cap companies:**

The Investment Manager has defined the market capitalization spectrum as follows:

- Large-Cap Stocks: 1st -100th company in terms of full market capitalization
- Mid-Cap Stocks: 101st -250th company in terms of full market capitalization

- Small-Cap Stocks: 251st company onwards in terms of full market capitalization

Investment in mid-cap and small-cap companies are based on the premise that these companies have the ability to increase their earnings at a faster pace as compared to large-cap companies and grow into larger, more valuable companies. However, as with all equity investments, there is a risk that such companies may not achieve their expected earnings results, or there could be an unexpected change in the market, both of which may adversely affect investment results.

Historically, it has been observed that as you go down the capitalization spectrum i.e. from large-cap stocks to mid-cap stocks and beyond, there are higher risks in terms of volatility and market liquidity. Scheme also invests in mid-cap and small-cap companies and hence is exposed to associated risks.

- **Risks associated with trading in derivatives:**

The use of derivatives may expose Scheme to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Scheme volatility.

Derivatives require the maintenance of adequate controls to monitor the transactions and the embedded market risks that they add to the portfolio. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Other risks in using derivatives include but are not limited to:

- Counterparty Risk** - this occurs when a counterparty fails to abide by its contractual obligations and therefore, the Scheme are compelled to negotiate with another counter party, at the then prevailing (possibly unfavourable) market price. For exchange traded derivatives, the risk is mitigated as the exchange provides the guaranteed settlement but one takes the performance risk on the exchange.
- Market Liquidity Risk** - this occurs where the derivatives cannot be transacted due to limited trading volumes and/or the transaction is completed with a severe price impact.
- Model Risk** - the risk of mis-pricing or improper valuation of derivatives.
- Basis Risk** - arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued involve uncertainty and decision of the Investment Manager may not always be profitable. No assurance can be given that the Investment Manager will be able to identify or execute such strategies. Some other risks investors must read carefully before making any investments in this Scheme, as it is expected to make investments in equity derivatives are as follows:

Derivative trades involve execution risks, whereby the rates seen on the screen may not be the rate at which ultimate execution takes place.

- The option buyer's risk is limited to the premium paid.
- Investments in index/stock futures face the similar risk as the investments in the underlying stock or index.
- Risk of loss in trading in futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potentially high volatility of the futures markets.
- The derivatives market may not have the volumes that may be seen in other developed markets,

which may result in volatility in the values.

- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
- **Risks associated with investments in Securitised Assets**

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing/service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target (rating), which provides protection to investors against defaults by the underlying borrowers.

Some of the risk factors typically analyzed for any securitization transaction are as follows:

- **Risks associated with asset class:** Underlying assets in securitised debt may assume different forms and the general types of receivables include commercial vehicles, auto finance, credit cards, home loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of collateral securing these receivables, adequacy of documentation in case of auto finance and home loans and intentions and credit profile of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.
- **Risks associated with pool characteristics:**
 - (a) **Size of the loan:** This generally indicates the kind of assets financed with loans. While a pool of loan assets comprising of smaller individual loans provides diversification, if there is excessive reliance on very small ticket size, it may result in difficult and costly recoveries.
 - (b) **Loan to Value Ratio:** This indicates how much percentage value of the asset is financed by borrower's own equity. The lower LTV, the better it is. This ratio stems from the principle that where the borrowers own contribution of the asset cost is high, the chances of default are lower. To illustrate for a Truck costing Rs. 20 lakh, if the borrower has himself contributed Rs.10 lakh and has taken only Rs. 10 lakh as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakh if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 2 lakh out of his own equity for a truck costing Rs. 20 lakh. Between the two scenarios given above, the later would have higher risk of default than the former.
 - (c) **Original maturity of loans and average seasoning of the pool:** Original maturity indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. Average seasoning indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loans, if a pool of assets consist of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than one where only 10% of installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.
 - (d) **Default rate distribution:** This indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious, as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.
- **Credit Rating and Adequacy of Credit Enhancement:** Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement". The process of "Credit enhancement" is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely

payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on securitisation. Securitisation is normally non-recourse instruments and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore the rating criteria centrally focus on the quality of the underlying assets.

The Scheme will predominantly invest in those securitisation issuances which have AA and above rating indicating high level of safety from credit risk point of view at the time of making an investment. However, there is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

- **Limited Liquidity & Price Risk:** Presently, the secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.
- **Limited Recourse to Originator & Delinquency:** Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the investor payouts may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying Asset. However many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that Obligor.
- **Risks due to possible prepayments:** Weighted Tenor / Yield: Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments Full prepayment of underlying loan contract may arise under any of the following circumstances;
 - a. Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or
 - b. Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
 - c. The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same.
 - d. In the event of prepayments, investors may be exposed to changes in tenor and yield.
- **Bankruptcy of the Originator or Seller:** If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a 'True Sale'. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.
- **Bankruptcy of the Investor's Agent:** If Investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor's Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is

held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent. Legal opinion is normally obtained to the effect that the Investors Agent's recourse to assets/ receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

- **Risk of co-mingling:** The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the loan agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize co-mingling risk.
- **Risks relating to tax incidence on securitization Special Purpose Vehicles:** In October 2011, the income tax authorities issued a claim on certain securitisation SPVs, stating that the gross income of such SPVs was liable to tax. The matter is presently under sub judice with the Bombay High Court. Several industry participants approached the Ministry of Finance (MoF) to seek clarity and reinforce the "pass through" status of a securitisation SPV. The Finance Bill, 2013, has sought to clarify the tax position by stating that securitisation SPVs are not liable to pay income tax. However, any tax incidence on gross income of SPVs could result in dilution of payouts to investors.
- **Risk associated with favourable taxation of equity-oriented Scheme:**
In the event that investible funds of more than 65% of the total proceeds in each Scheme are not invested in the equity shares of domestic companies, the tax exemption, if any, on income distribution will not be available to the Unit Holders.
- **Risk associated with Stock Lending:** Risks associated with stock lending may include counter party risk, liquidity risk and other market risks.
- **Risks Associated With Transaction In Units Through Stock Exchange Mechanism**
In respect of transactions in Units of the Scheme through NSE and/or BSE or any other recognised stock exchange, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE or such other exchange and their respective clearing corporations on which the Fund has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by NSE, BSE or such other recognised exchange in this regard.
- **Additional Risk Factors for Foreign Portfolio Investors:**
 1. **Political Risk**
Investments in mutual fund Units in India may be materially adversely impacted by Indian politics and changes in the political scenario in India either at the central, state or local level. Actions of the central government or respective state governments in the future could have a significant effect on the Indian economy, which could affect companies, general business and market conditions, prices and yields of securities in which the Scheme invest.

The occurrence of selective unrest or external tensions could adversely affect the political and economic stability of India and consequently have an impact on the securities in which the Scheme invests. Delays or changes in the development of conducive policy frameworks could also have an impact on the securities in which the Scheme invests.
 2. **Economic Risk**
A slowdown in economic growth or macro-economic imbalances such as the increase in central and state level fiscal deficits may adversely affect investments in the country. The underlying growth in the economy is expected to have a direct impact on the volume of new investments in the country.
 3. **Foreign Currency Risk**
The Scheme is denominated in Indian Rupees (INR) which is different from the home currency for

Foreign Portfolio Investors in the mutual fund Units. The INR value of investments when translated into home currency by Foreign Portfolio Investors could be lower because of the currency movements. The AMC does not manage currency risk for Foreign Portfolio Investors and it is the sole responsibility of the Foreign Portfolio Investors to manage or reduce currency risk on their own. The Sponsor/Fund/Trustees/ AMC are not liable for any loss to Foreign Investors arising from such changes in exchange rates.

4. Convertibility and Transferability Risk

In the event capital and exchange controls are imposed by the government authorities, it would prevent Foreign Portfolio Investors' ability to convert INR into home currency and/or transfer funds outside India. The convertibility and transferability of INR proceeds into home currency is the responsibility of the Foreign Portfolio Investors.

B. RISK MANAGEMENT STRATEGIES

- **Market Liquidity Risk:**

The liquidity risk will be managed and/or sought to be addressed by creating a portfolio which has adequate access to liquidity. The Investment Manager will select fixed income securities, which have or are expected to have high secondary market liquidity. There is good secondary market liquidity in government securities. As far as other long dated fixed income securities are concerned, the endeavour will be to invest in high quality names example bonds issued by public sector entities. Market Liquidity Risk will be managed actively within the portfolio liquidity limits. The first access to liquidity is through cash and fixed income securities.

- **Credit Risk:**

Credit Risk associated with fixed income securities will be managed by making investments in securities issued by borrowers, which have a good credit profile. The credit research process includes a detailed in-house analysis and due diligence. Limits are assigned for each of the issuer (other than government of India); these limits are for the amount as well as maximum permissible tenor for each issuer. The credit process ensures that issuer level review is done at inception as well as periodically by taking into consideration the balance sheet and operating strength of the issuer.

- **Term Structure of Interest Rates (TSIR) Risk:**

The Investment Manager will endeavour to actively manage the duration based on the ensuing market conditions. As the fixed income investments of the Scheme are generally short duration in nature, the risk can be expected to be small.

- **Rating Migration Risk:**

The endeavour is to invest in high grade/quality securities. The due diligence performed by the fixed income team before assigning credit limits and the periodic credit review and monitoring should address company-specific issues.

- **Re-investment Risk:** Re-investment Risk is prevalent for fixed income securities, but as the fixed income investments of the Scheme are generally short duration in nature, the impact can be expected to be small.

- **Market Risk related to equity and equity related securities**

The Investment Manager endeavours to invest in companies, where adequate due diligence and research has been performed by the Investment Manager. As not all these companies are very well researched by third-party research companies, the Investment Manager also relies on its own research. This involves one-to-one meetings with the management of companies, attending conferences and analyst meets and also tele-conferences. The company- wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects,

policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know-how and transparency in corporate governance.

- **Risk associated with floating rate securities:**

There is very low liquidity in floating rate securities, resulting in lack of price discovery. Hence, incremental investments in floating rate securities are going to be very limited.

- **Risk associated with favourable taxation of equity-oriented Scheme**

This risk is mitigated as there is a regular monitoring of equity exposure of each of the equity oriented Scheme of the Fund.

- **Risk associated with Stock Lending**

At present, there is no significant activity in the Securities Borrowing and Lending market. The Mutual Fund has so far not participated in Securities Lending market. However, we understand the risks associated with the securities lending business and the AMC will have appropriate controls (including limits) before initiating any such transactions.

- **Risk associated with Derivatives**

The Scheme can use equity derivatives, both for directional (including equitisation of cash) and yield enhancement strategies. The credit risk associated with equity derivatives is defeased as only exchange traded equity derivatives are permitted. On the performance, portfolio and regulatory limits, there is an established daily monitoring process. As limits could be breached because of changes in the open interest, which is a function of market-wide activity and not specific to the Scheme and are not in control, there are hard and soft limits. Any breach beyond the soft limit is immediately rectified and brought within the specified limit.

The guidelines issued by SEBI / RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to.

C. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors each and no single investor shall account for more than 25% of the corpus of the Scheme(s). These conditions shall be complied with, in each calendar quarter on an average basis, as specified by SEBI. In case of non-fulfillment of the condition of 20 investors in a calendar quarter, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations shall become applicable automatically without any reference from SEBI, and accordingly the Scheme/ Plan(s) shall be wound up and the units redeemed at the relevant applicable NAV. If there is breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be available and thereafter, the investor who is in breach of the rule, shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption on the applicable Net Asset Value on the 15th day of the notice period.

D. SPECIAL CONSIDERATIONS

- Subject to the SEBI (MF) Regulations, funds managed by the affiliates/associates of the Sponsors may invest either directly or indirectly in the Scheme and may acquire a substantial portion of the Scheme Units and collectively constitute a majority investor in the Scheme. Accordingly, redemption of Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption and may impact the ability of other Unit Holders to redeem their respective Units.
- As the liquidity of the Scheme investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the

Scheme portfolios. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances.

- Neither the SID and SAI, nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID and the SAI in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this SID or any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.
- Investment decisions made by the Investment Manager may not always be profitable.
- The AMC provides Investment Management Services to DSP India Fund and DSP India Investment Fund (both based out in Mauritius). The AMC also provides investment management and trade execution related services to offshore sovereign funds. The AMC proposes to provide investment management advice and execution services to DSP ICAV, an umbrella type Irish Collective Asset-management Vehicle. The AMC is the holding company to DSP Pension Fund Managers Pvt. Ltd. (DSPPFM). The AMC, in accordance with SEBI approval, acts as Investment Managers to DSP Alternative Investment Fund Category III (DSPAIF - C - III) (SEBI registration no. IN/AIF3/13-14/0059). Further, DSP Trustee Pvt. Ltd., act as Trustees to the DSPAIF - C - III. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.
- The Mutual Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- Suspicious Transaction Reporting: If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/any other person.
- The AMC and its Registrar reserve the right to disclose/share investors' personal information with the following third parties:
 1. Registrar, Banks and / or authorised external third parties who are involved in transaction processing, dispatches, etc., of investors' investment in the Scheme;
 2. Distributors or Sub-brokers or Registered Investment Advisors through whom applications of investors are received for the Scheme; or;
 3. Any other organisations for compliance with any legal or regulatory requirements or to verify the identity of investors for complying with anti-money laundering requirements.

Account statements or financial information pertaining to the investor, if it is to be sent over the internet to the Unitholder, distributors or any other entity as indicated above, will be sent only through a secure means and / or through encrypted electronic mail.

- Non-Individual Investors should note the following :
 1. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form.
 2. In case of application for any transaction, the authorized signatories/officials should sign such application under their official designation and as per the authority granted to them under their constitutional documents/board resolutions etc.

3. In case a generic board resolution authoring investment has been submitted, the AMC/Fund reserves the right to consider such generic resolution as a valid authorisation for all other financial and non-financial transactions including but not limited to redemption/switches etc. Accordingly all transactions executed by the officials named in such generic resolution would be processed by the AMC/Fund.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his/her own professional tax advisor.
 - Investors should study this Scheme Information Document and the Statement of Additional Information carefully in its entirety and should not construe the contents as advise relating to legal, taxation, investment or any other matters. Investors are advised to consult their legal, tax, investment and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem Units.
 - Any dispute arising out of the Scheme shall be subject to the exclusive jurisdiction of the Courts in India. Statements in this Scheme Information Document are, except where otherwise stated, based on the law, practice currently in force in India, and are subject to changes therein.
 - The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers / its agents, as may be necessary for the purpose of effecting payments to the investor. Further, the Mutual Fund may disclose details of the investor's account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law.
 - This SID is not an offer of units of the Scheme for sale or solicitation of an offer to purchase the units of the Scheme in the United States or in any other jurisdiction where such offer may be restricted. Offers to sell or solicitations of offers to purchase units of any Scheme referred herein may be made only by means of a prospectus and in accordance with applicable securities laws. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended or an exemption therefrom. The Schemes referred herein have not and do not intend to register any securities under the US Securities Act of 1933, as amended, and do not intend to offer any securities in the United States. The Schemes referred herein have not been and will not be registered under the US Investment Company Act of 1940, and investors therein will not be entitled to the benefits thereof.

Investors are urged to study the terms of the offer carefully before investing in the Scheme and retain this SID and the SAI for future reference.

E. DUE DILIGENCE BY THE AMC

It is confirmed that:

- (i) The SID forwarded to SEBI is in accordance with the SEBI (MF) Regulations, and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the SID are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- (iv) The intermediaries named in the SID and SAI are registered with SEBI and their registration is valid, as on date.

Place: Mumbai
Date : April 25, 2020

Signed : Sd/-
Name : Pritesh Majmudar (Dr.)
Head - Legal & Compliance

SECTION V - INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

Multi Cap Fund- An open ended equity scheme investing across large cap, mid cap, small cap stocks.

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The primary investment objective of the Scheme is to seek to generate long term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India. This shall be the fundamental attribute of the Scheme. Equity related securities include, but are not limited to, fully convertible debentures, partly convertible debentures, convertible preferred shares and warrants converting into equity securities. The Scheme may also invest a certain portion of its corpus in debt and money market securities, in order to meet liquidity requirements from time to time.

There is no assurance that the investment objective of the Scheme will be realized.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, it is anticipated that the asset allocation of the Scheme shall be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and equity related securities	90%	100%	Medium to High
*Debt and Money Market Securities	0%	10%	Medium to High

*Debt securities/instruments are deemed to include securitized debts.

Stock lending

Subject to SEBI (MF) Regulations and the applicable guidelines issued by SEBI, the Mutual Fund may engage in stock lending. The AMC shall comply with all reporting requirements and the Trustee shall carry out periodic review as required by SEBI guidelines. Stock lending means the lending of stock to another person or entity for a fixed period of time, at a negotiated compensation. The securities lent will be returned by the borrower on expiry of the stipulated period.

The Investment Manager will apply the following limits, should it desire to engage in Stock Lending:

1. Not more than 20% of the net assets of a Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of a Scheme can generally be deployed in Stock Lending to any single counter party.

Trading in Derivatives

The net derivative position in the Scheme may be upto 100% of the net assets, subject to applicable regulatory limits, as mentioned in, **“Where will the Scheme Invest?”**.

The percentage of the Scheme’s corpus invested in equity and equity related securities may decrease subject to a minimum of 65% and in the event of the same falling below 65%, a review and rebalancing of the asset allocation will be called for by the Investment Manager. Such changes in the investment pattern will be for a short term and for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders.

D. WHERE WILL THE SCHEME INVEST?

The Investment Manager’s primary goal is to seek to generate long term capital appreciation by investing in equity and equity related securities of issuers domiciled in India. It is the Investment

Manager's belief that the Indian economy is capable of robust economic growth in the future, on the back of a significant increase in foreign direct investment. Going forward, the gradual liberalisation of the economy would spur greater competition and encourage efficient utilisation of capital. Many Indian companies are either gearing up internally or forging alliances with foreign companies, in order to effectively meet the challenges of the future. Clarity in business objectives, a focused approach to achieving them and greater transparency and accountability in corporate governance are visible indicators of change in the Indian business environment. Such changes, while gradual in their evolution, instill great confidence in the minds of investors, whether domestic or foreign. Such beneficial changes are catalysts, among others, for increased investor interest in the stock market.

Under normal market conditions, approximately 90% of the portfolio of the Scheme will be invested in equity and equity related securities. The Investment Manager may also invest in unlisted stocks, subject to a limitation of 5% of the assets of the Scheme. Under normal market conditions, approximately 10% of the portfolio of the Scheme will be invested in debt securities and money market securities, the latter having maturities of one year or less. This component of the portfolio will provide the necessary liquidity to meet redemption needs and other liquidity requirements of the Scheme. Debt securities include, but are not limited to, nonconvertible debentures, zero coupon securities, non convertible portion of convertible debentures, floating rate bonds and other short term debt instruments.

Debt and money market securities include, but are not limited to:

- Debt obligations of the Government of India, state and local governments, government agencies, statutory bodies, public sector undertakings, scheduled commercial banks, non-banking finance companies, development financial institutions, supranational financial institutions, corporate entities and trusts (securitised debt)
- Pass through, Pay through or other Participation Certificates, representing interest in a pool of assets including receivables
- The non-convertible part of convertible securities
- Units of Mutual funds as may be permitted by regulations
- Structured Notes
- Any other like instruments as may be permitted by RBI/SEBI from time to time.

From time to time, it is possible that the Investment Manager may decide to invest a higher proportion in debt and money market securities, depending on prevailing economic and market conditions and the need to adopt a defensive posture on the portfolio of the Scheme.

The securities mentioned in, "**Where will the Scheme invest?**", could be listed, unlisted, privately placed, secured, unsecured, rated or unrated (subject to the rating or equivalency requirements discussed above) and of any maturity. The securities may be acquired through secondary market operations, primary issues/offerings, other public offers, Private Placement and negotiated deals amongst other mechanisms.

- **TREPs (TREPs):**

"TREPs" means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. TREPS facilitates, borrowing and lending of funds, in TREPs arrangement. Currently the borrowing/ lending is facilitated for tenors upto next 7 days and for three months end dates. A member can request for making available of a particular tenor up to a period of 365 days, by requesting in the format available in sub menu of Request forms under TREPS. The eligible securities that can be used as collateral for borrowing through TREPS are as per list prescribed by CCIL.

- **Repos:**

Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase or sell the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds.

- **Investment in Short-Term Deposits**

Pending deployment of the funds of the Scheme, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions issued by SEBI vide its circular SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019:

- a. Each Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- b. Each Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
- c. The Trustee shall ensure that the funds of each Scheme are not parked in the short term deposits of a bank which has invested in that Scheme.
- d. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- e. The term 'short term' for parking of funds shall be treated as a period not exceeding 91 days.
- f. Such deposits shall be held in the name of the Scheme.
- g. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

Investment in domestic Securitized Debt:

Depending upon the Investment Manager's views, the Scheme may invest in domestic securitized debt such as ABS or MBS. The investments in domestic securitized debt will be made only after giving due consideration to factors such as but not limited to the securitization structure, quality of underlying receivables, credentials of the servicing agent, level of credit enhancement, liquidity factor, returns provided by the securitized paper vis-a-vis other comparable investment alternatives.

Although the returns provided by securitized debt could be higher, one must not lose sight of the fact that risks also exist with regard to investments in securitized debt. Investments in pass-through certificates of a securitization transaction represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the issuer or the seller, or the parent of the seller, or any affiliate of the seller or the issuer or the trustee in its personal capacity, save to the extent of credit enhancement to be provided by the credit enhancer. The trust's principal asset will be the pool of underlying receivables. The ability of the trust to meet its obligations will be dependent on the receipt and transfer to the designated account of collections made by the servicing agent from the pool, the amount available in the cash collateral account, and any other amounts received by the trust pursuant to the terms of the transaction documents. However, the credit enhancement stipulated in a securitization transaction represents a limited loss cover only. Delinquencies and credit losses may cause depletion of the amount available under the cash collateral account and thereby the scheduled payouts to the investors may get affected if the amount available in the cash collateral account is not enough to cover the shortfall.

Further Unit holders are requested to refer below the disclosure relating to investments in securitized debt, in the SEBI prescribed format:

(i) How the risk profile of securitized debt fits into the risk appetite of the Scheme:

The Scheme seeks to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. The Scheme also seeks to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities of issuers domiciled in India.

In line with the investment objective, securitised debt instruments having a high credit quality commensurate with other debt instruments in the portfolio will be considered for investment.

(ii) Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc

The parameters used to evaluate originators are

- Track record
- Willingness to pay, through credit enhancement facilities etc.
- Ability to pay
- Business risk assessment, wherein following factors are considered:
 - Outlook for the economy (domestic and global)
 - Outlook for the industry
 - Company specific factors

In addition a detailed review and assessment of rating rationale is done including interactions with the originator as well as rating agency.

Critical Evaluation Parameters (for pool loan) regarding the originator / underlying issuer:

- Default track record/ frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower - both on a standalone basis as well on a consolidated level/ group level
- Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

(iii) Risk mitigation strategies for investments with each kind of originator

Analysis of originator: Dedicated credit research analysts, analyses and evaluates each originator and sets up limits specifying both the maximum quantum and maximum tenor for investments and investments are considered only within these limits.

Originator analysis typically encompasses:

- Size and reach of the originator
- Collection process, infrastructure and follow-up mechanism
- Quality of MIS
- Credit enhancement for different type of originator

(iv) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

Eligible assets: Only assets with an established track record of low delinquencies and high credit quality over several business cycles will be considered for investment.

Analysis of pool: Characteristics such as average pool maturity (in months), average loan to value ratio, average seasoning of the pool, maximum single exposure, geographical distribution and average single exposure are studied to determine pool quality

Risk mitigating measures: Credit enhancement facilities (including cash, guarantees, excess interest spread, subordinate tranches), liquidity facilities and payment structure are studied in relation to historical collection and default behavior of the asset class to ensure adequacy of credit enhancement in a stress scenario.

(v) Minimum retention period of the debt by originator prior to securitization

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

(vi) Minimum retention percentage by originator of debts to be securitized

We will follow the guidelines on minimum holding period requirements as laid down by SEBI and RBI from time to time.

(vii) The mechanism to tackle conflict of interest when the Mutual Fund invests in securitized debt of an originator and the originator in turn makes investments in that particular Scheme of the Fund

The AMC has a rigorous credit due diligence process for all fixed income investments, which also encompasses securitized debt. A dedicated team of credit analysts is responsible for credit research and surveillance.

(viii) The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The AMC has a rigorous risk management process for all fixed income investments, which also encompasses securitized debt. Dedicated credit research analysts are responsible for monitoring risks including credit and liquidity risk. The functions of the team include:

- Detailed credit analysis of issuers: based on the management evaluation, operating strength and financial strength to determine suitability for investment. Periodic reviews on a quarterly/annual basis are under taken for eligible issuers. Ratings are monitored on a daily basis and any changes are immediately recorded and suitable action taken.

For securitized pool loan exposures, the analysis includes pool seasoning, pool asset quality, diversification, collateral margin, originator analysis and credit enhancement mechanisms. Pool performance statistics published by rating agencies are analyzed for performance of other securitised pools of the same originator as well as for the performance of the asset class as a whole. Regular interactions with the rating agencies are done to discuss performance trends. Documents are vetted by the legal and compliance team. In addition, monthly payout reports from the trustees are analysed for collection performance and adequacy of cash collateral.

Framework that is applied while evaluating investment decision relating to a pool securitization transaction:

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Approximate Average maturity (in Months)	In line with average maturity of mortgage loans as per industry norms. Typically less than 10 years.	In line with average maturity of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 4 years.	In line with average maturity of car loans as per industry norms. Typically less than 4 years.	In line with average maturity of two-wheeler loans as per industry norms. Typically less than 4 years.	In line with average maturity of the asset class as per industry norms.

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.	The collateral margin will be adequate for the pool to achieve a rating in the high safety category at the time of initial rating. The collateral margin will ensure at least a 3 times cover over historical losses observed in the asset class.
Average Loan to Value Ratio	In line with average Loan to Value ratio of mortgage loans as per industry norms. Typically less than 80 per cent.	In line with average Loan to Value ratio of Commercial Vehicle and Construction Equipment loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of car loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of two-wheeler loans as per industry norms. Typically less than 85 per cent.	In line with average Loan to Value ratio of the asset class loans as per industry norms.
Average seasoning of the Pool	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time. Typically, more than 3 months	In line with industry norms and guidelines laid down by RBI/SEBI from time to time.

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
Maximum single exposure range	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%
Average single exposure range %	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%	Not more than 10%
* Kindly note that all references to single loan securitization has been removed as securitization of single corporate loans are no longer envisaged under revised RBI guidelines on securitization					

The Scheme will not be investing in foreign securitised debt.

Trading in Derivatives

The Mutual Fund may use various derivatives and hedging products/ techniques, in order to seek to generate better returns for the Scheme. Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index. The Scheme while investing in equities shall transact in exchange traded equity derivatives only and these instruments may take the form of Index Futures, Index Options, Futures and Options on individual equities/securities and such other derivative instruments as may be appropriate and permitted under the SEBI Regulations and guidelines from time to time.

Advantages of Trading in Derivatives

Advantages of derivatives are many. The use of derivatives provides flexibility to the Schemes to hedge whole or part of the portfolio. The following section describes some of the more common derivatives transactions along with their benefits:

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as interest rates, exchange rates, commodities and equities.

1. Futures

A futures contract is a standardized contract between two parties where one of the parties commits to sell, and the other to buy, a stipulated quantity of a security at an agreed price on or before a given date in future.

Currently, futures contracts have a maximum expiration cycle of 3 months. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry respectively. A new contract is introduced on the next trading day following the expiry of the relevant monthly contract. Futures contracts typically expire on the last Thursday of the month. For example a contract with the March 2019 expiration expires on the last Thursday of March 2019 (March 28, 2019).

Basic Structure of an Index Future

The Stock Index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE) have trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and short-term interest rates. Index futures are cash settled, there is no delivery of the underlying stocks.

Example using hypothetical figures:

1 month ABC Index Future

If the Scheme buys 2,000 futures contracts, each contract value is 50 times the futures index price.

Purchase Date : March 01, 2019

Spot Index : 11,200.00

Future Price : 11,300.00

Date of Expiry : March 28, 2019

Margin : 10%

Assuming the exchange imposes a total margin of 10%, the Investment Manager will be required to provide a total margin of approx. Rs. 113,000,000 (i.e. $10\% \times 11,300 \times 2000 \times 50$) through eligible securities and cash.

Assuming on the date of expiry, i.e. March 28, 2019, ABC Index closes at 11,350, the net impact will be a profit of Rs. 5,000,000 for the Scheme, i.e. $(11,350 - 11,300) \times 2000 \times 50$ (Futures price = Closing spot price = Rs. 11,350.00)

Profits for the Scheme = $(11,350 - 11,300) \times 2000 \times 50 = \text{Rs. } 5,000,000$.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity.

The net impact for the Scheme will be in terms of the difference of the closing price of the index and cost price. Thus, it is clear from the above example that the profit or loss for the Scheme will be the difference between the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

Basic Structure of a Stock Future

A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single Stock Futures traded on NSE (National Stock Exchange) are cash settled; there is no delivery of the underlying stocks on the expiration date. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading stock futures is no different from trading the security itself.

Example using hypothetical figures:

The Scheme holds shares of XYZ Ltd., the current price of which is Rs. 500 per share. The Scheme sells one month futures on the shares of XYZ Ltd. at the rate of Rs. 540.

If the price of the stock falls, the Mutual Fund will suffer losses on the stock position held. However, in such a scenario, there will be a profit on the short futures position.

At the end of the period, the price of the stock falls to Rs. 450 and this fall in the price of the stock results in a fall in the price of futures to Rs. 470. There will be a loss of Rs. 50 per share (Rs. 500 - Rs. 450) on the holding of the stock, which will be offset by the profits of Rs. 70 (Rs. 540 - Rs. 470) made on the short futures position.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

2. Options

An option gives a person the right but not an obligation to buy or sell something. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

An option contract may be of two kinds:

1) Call option

An option that provides the buyer the right to buy is a call option. The buyer of the call option can call upon the seller of the option and buy from him the underlying asset at the agreed price. The seller of the option has to fulfill the obligation upon exercise of the option.

2) Put option

The right to sell is called a put option. Here, the buyer of the option can exercise his right to sell the underlying asset to the seller of the option at the agreed price.

Option contracts are classified into two styles:

(a) European Style

In a European option, the holder of the option can only exercise his right on the date of expiration only.

(b) American Style

In an American option, the holder can exercise his right anytime between the purchase date and the expiration date.

Basic Structure of an Equity Option

In India, options contracts on indices are European style and cash settled whereas, option contracts on individual securities are American style and cash settled.

Example using hypothetical figures:

Market type : N
Instrument Type : OPTSTK
Underlying : XYZ Ltd. (XYZ)
Purchase date : March 1, 2019
Expiry date : March 28, 2019
Option Type : Put Option (Purchased)
Strike Price : Rs. 9,750.00
Spot Price : Rs. 9,800.00
Premium : Rs. 200.00
Lot Size : 100
No. of Contracts : 50

Say, the Mutual Fund purchases on March 1, 2019, 1 month Put Options on XYZ Ltd. (XYZ) on the NSE i.e. put options on 5000 shares (50 contracts of 100 shares each) of XYZ.

As these are American style options, they can be exercised on or before the exercise date i.e. March 28, 2019. If the share price of XYZ Ltd. falls to Rs. 9,500/- on March 28, 2019, and the Investment Manager decides to exercise the option, the net impact will be as Follows:

Premium Expense = Rs. 200 * 50 * 100 =
Rs. 10,00,000/-
Option Exercised at = Rs. 9,500/-
Profits for the Mutual Fund = (9,750.00 - 9,500.00) * 50 * 100
= Rs. 12,50,000/-
Net Profit = Rs. 12,50,000 - Rs. 10,00,000 = Rs. 2,50,000/-

In the above example, the Investment Manager hedged the market risk on 5000 shares of XYZ Ltd. by purchasing put options.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins have been ignored. The purchase of Put Options does not increase the market risk in the Mutual Fund as the risk is already in the Mutual Fund's portfolio on account of the underlying asset position (in his example shares of XYZ Ltd.). The Premium paid for the option is treated as an expense and added to the holding cost of the relevant security. Additional risks could be on account of illiquidity and potential mis-pricing of the options.

Exposure to Equity Derivatives:

i. Position limit for the Mutual Fund in index options contracts:

- The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest in the market in index options, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in index futures contracts:

- a. The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest in the market in index futures, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Fund may take exposure in equity index derivatives subject to the following limits:

- a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts:

The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for the Scheme:

The position limits for the Scheme and disclosure requirements are as follows:

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of 1% of free float market capitalization (in terms of number of shares).
Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- b. This position limit shall be applicable on the combined position in all derivative contracts on a underlying stock at a Stock Exchange.
- c. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

Exposure Limits:

With respect to investments made in derivative instruments, the Schemes shall comply with the following exposure limits in line with SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010:

1. The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the respective Scheme. However, the following shall not be considered while calculating the gross exposure:
 - a. Security-wise hedged position and
 - b. Exposure in cash or cash equivalents with residual maturity of less than 91 days
2. The total exposure related to option premium must not exceed 20% of the net assets of the Scheme.
3. The Mutual Fund shall not write options or purchase instruments with embedded written options.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

5. The Mutual Fund may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.
7. Definition of Exposure in case of Derivative Positions:
Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option Bought	Option Premium Paid * Lot Size * Number of Contracts

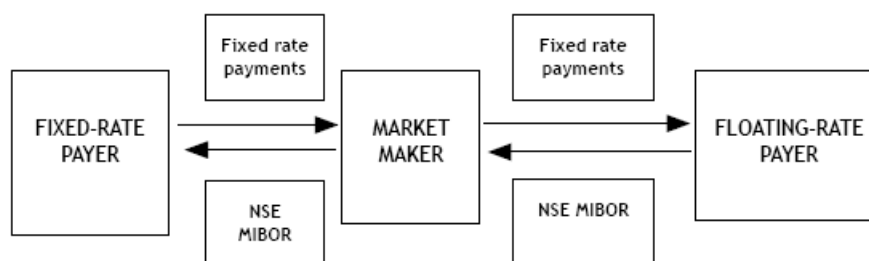
3. Interest Rate Swap (IRS)

Any swap is effectively an exchange of one set of cash-flows for another considered to be of equal value. If the exchange of cash flows is linked to interest rates, it becomes an interest rate swap. An interest rate swap is an agreement between two parties to exchange future payment streams based on a notional amount. Only the interest on the notional amount is swapped, and the principal amount is never exchanged.

In a typical interest rate swap, one party agrees to pay a fixed rate over the term of the agreement and to receive a variable or floating rate of interest. The counterparty receives a stream of fixed rate payments at regular intervals as described in the agreement and pays the floating rate of interest. A fixed/ floating interest rate swap is characterized by:

1. Fixed interest rate;
2. Variable or floating interest rate, which is periodically reset;
3. Notional principal amount upon which total interest payments are based; and
4. The terms of the agreement, including a schedule of interest rate reset dates, payment dates and termination date.

The primary reason for engaging in an interest rate swap is to hedge the interest rate exposure. An illustration could be an institution having long-term fixed rate assets (longer tenor securities receiving fixed rate) in a rising interest rate environment; it can hedge the interest rate exposure by purchasing an interest rate swap where the institution receives floating interest rate and pays fixed rate. In this case, an interest rate swap is likely to reduce the duration and interest rate volatility of the fund.



Example:

Terms:

Fixed Interest Rate : 8.30% p.a.
 Variable Interest Rate : NSE Over-Night MIBOR reset daily and compounded daily
 Notional Principal Amount : Rs.100 Crore

Period of Agreement : 1 year
Payment Frequency : Semi-annual

Now, suppose the six-month period from the effective date of the swap to the first payment date comprises 182 days and the daily compounded NSE Over-Night MIBOR is 8.05% p.a. on the first payment date, then the fixed and variable rate payment on the first payment date would be as follows:

Fixed rate payment:

Rs. 4,13,86,301 = (Rs.100,00,00,000) x (8.30%) x (182 Days / 365 Days)

Variable rate payment:

Rs. 4,01,39,726 = (Rs.100,00,00,000) x (8.05%) x (182 Days / 365 Days)

Often, a swap agreement will call for only the exchange of net amount between the counterparties. In the above example, the fixed-rate payer will pay the variable-rate payer a net amount of Rs. 12,46,575 = Rs. 4,13,86,301 - Rs. 4,01,39,726.

The second and final payment will depend on the daily NSE MIBOR compounded daily for the remaining 183 days. The fixed rate payment will also change to reflect the change in holding period from 182 days to 183 days.

4. Forward Rate Agreement (FRA)

An FRA is an off balance sheet agreement to pay or receive on an agreed future date, the difference between an agreed interest rate and the interest rate actually prevailing on that future date, calculated on an agreed notional principal amount. It is settled against the actual interest rate prevailing at the beginning of the period to which it relates rather than paid as a gross amount.

An FRA is referred to by the beginning and end dates of the period covered. Thus a 5x8 FRA is one that covers a 3-month period beginning in 5-months and ending in 8-months. FRAs are purchased to hedge the interest rate risk; an investor facing uncertainty of the interest rate movements can fix the interest costs by purchasing an FRA.

An illustration could be a corporation having floating rate debt linked to an index such as say, 3-Month MIBOR. If the existing interest cost is at 8% on Rs.100 Crore for the next three months, the corporation can purchase a 3x6 FRA @ 8.1% on Rs.100 Crore and fix the interest cost for the 3-6 months period. If the actual 3-Month MIBOR after 3-months is at 8.25%, the corporation has saved 15 bps in interest cost. As the settlement is done at the beginning of the period, the savings in interest expense are discounted to a present value using a 3-month rate to calculate the actual settlement amount.

The flows for the institution will be, as follows:

Interest Savings = Rs. 100 Crore * 15 bps * 92/365
(assuming 92 days in the 3 month FRA period
and 365 days in the conventional year)
= Rs.3,78,082.19

Settlement Amount = Rs.3,78,082.19 / (1+8.25%*92/365)

Please note that the above examples are hypothetical in nature and the figures are assumed.

5. Interest Rate Futures

An Interest Rate Futures ('IRF') contract is "an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today." The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Interest Rate Futures are Exchange traded and standardized contracts based on 6 year, 10 year and 13 year Government of India Security and 91-day Government of India Treasury Bill (91DTB). These future contracts are cash settled. These instruments can be used for hedging the underlying cash positions.

For example, assume a portfolio has Rs. 100 crores of Government security 7.59% GOI 2026 with face value Rs. 100/-. The bond is currently trading in market at 105.00.

The futures on 7.59% GOI 2026, expiring on 26th October 2018 is trading on exchange at 105.10.

Instead of exiting the cash position, the fund manager can decide to hedge the position by selling the same quantity in futures. Since one contract of IRF has a notional of Rs. 2 lakhs, in this example the fund manager sells Rs. 100 crores/2 lakhs = 5000 contracts, to hedge his position.

At maturity, the settlement price of the futures will be almost same as closing price of the underlying security.

At maturity of the Interest Rate Futures

Case 1: At maturity Bonds close higher than the price at which fund manager hedged the position, but below the futures price at which he hedged

Closing price of Bonds on day of maturity of futures = 105.05

Settlement price of futures = 105.05

MTM gain on the underlying bond = $(105.05-105.00) * 100 \text{ crores} / 100$ (i.e. face value of bond)
= Rs. 5,00,000

The profit on the futures leg is = $5000 * 2 \text{ lakhs} * (105.10-105.05) / 100$ (i.e. face value of bond)
= Rs 5,00,000

Overall profit to the fund = Rs 10,00,000

Case 2: At maturity bonds close higher than the level at which futures were sold

In case, the closing price of bonds on the day of maturity of futures = 105.20,

Settlement price of futures = 105.20

The MTM gain on bonds = $(105.20-105.00) * 100 \text{ crores} / 100$ (i.e. face value of bond)
= Rs. 20,00,000

Loss on futures leg = $5000 * 2 \text{ lakhs} * (105.10-105.20) / 100$ (i.e. face value of bond)
= (Rs 10,00,000)

Total Profit to the fund = Rs 10,00,000

Case 3: At maturity bonds sells off from levels were hedges were initiated

In case, the closing price of bonds on the day of maturity of futures = 104.80,

Settlement price of futures = 104.80

The MTM loss on bonds = $(104.80-105.00) * 100 \text{ crores}$
= (Rs. 20,00,000)

Profit on futures leg = $5000 * 2 \text{ lacs} * (105.10-104.80)$
= Rs 30,00,000

Total Profit to the fund = Rs 10,00,000

E. WHAT ARE THE INVESTMENT STRATEGIES?

Strategy for Equity Securities

The Investment Manager will be adopting a top down approach, which will encompass an evaluation of key economic trends, the analysis of various sectors in the economy leading to an outlook on their future prospects and a diligent study of various investment opportunities within the favoured sectors. In picking out individual investment opportunities for the portfolio, the Investment Manager will seek both value and growth. Value is discerned when the Investment Manager believes that the long-term growth potential of a company is not fully reflected in the market price of the company's securities and which potential it seeks to better every year capitalising on its various strengths, which could mean strong brand equity, high market share, strong management and technological excellence among others. Such companies are core holdings in any equity portfolio since they seldom fail to deliver good returns over the long term. Growth stocks, as the term suggests, are those stocks that are currently in the growth phase. The super-normal growth could be due to a new product, a new process, growing market share, stronger brand equity, technological breakthrough and unique or predominant position in a market, among other factors.

The Investment Manager will conduct in-house research in order to identify value and growth stocks. The analysis will focus, among others, on the historical and current financial condition of the

company, capital structure, business prospects, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research and technological know-how and transparency in corporate governance. The quality or strength of management would be a key focus area.

- **Strategies for trading in equity derivatives**

The Mutual Fund may use the following strategies while trading in derivatives for the purpose of efficient portfolio management:

a. Reverse Arbitrage:

This strategy will be adopted if the cash price of a stock (say “XYZ”) is reasonably greater than single stock futures of XYZ, and then the Investment Manager may sell cash position in XYZ and buy single stock futures of XYZ. In this case the Investment Manager will still be having a long-term view on the stock XYZ but is able to minimize the cost of holding of XYZ.

b. Arbitrage:

This strategy will be adopted if the single stock future of XYZ is reasonably greater than the cash price of XYZ, then the Investment Manager will buy the shares of XYZ in the cash market and sell equivalent numbers of single stock futures of XYZ. In this case the Investment Manager may not have an investment view of the stock XYZ but would like to enhance the portfolio value.

c. Portfolio Hedging:

This strategy will be adopted:

- (i) If in an already invested portfolio of a Scheme, the Investment Manager is expecting a market correction, the Investment Manager may sell Index Futures to insulate the portfolio from the market related risks.
- (ii) If there are significant inflows to the Scheme and the market expectations are bullish, the Investment Manager may buy Index Futures to continue participation in the equity markets. This strategy is used to reduce the time to achieve the desired invested levels.

Strategy for Fixed Income Securities

The Investment Manager will invest only in those debt securities that are rated investment grade by a domestic credit rating agency such as CRISIL, ICRA, CARE etc. or in unrated debt securities which the Investment Manager believes to be of equivalent quality. In the case of unrated debt securities, the approval of the Board of Directors of the AMC and Trustee shall be obtained prior to investment.

Portfolio Turnover

Portfolio turnover is defined as the lower of the aggregate value of purchases or sales, as a percentage of the average corpus of the Scheme during a specified period of time. This will exclude purchases and sales of money market securities.

The portfolio turnover in the Scheme will be a function of the inflows in the form of subscriptions into the Scheme and outflows in the form of redemptions from the Scheme, as well as the market opportunities available to the Investment Manager. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavor of the Investment Manager to keep portfolio turnover rates as low as possible. However, there are trading opportunities that present themselves from time to time, where in the opinion of the Investment Manager, there is an opportunity to enhance the total returns of the portfolio. The Investment Manager will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived therefrom. Although the exchange-traded equity derivatives contracts in India are available upto 3 months, the liquidity is predominantly in the one month contracts (near month contracts).

Overview of Debt Market in India

The Indian bond market comprises mainly of Government securities; State Development Loans (SDL), bonds issued by Public Sector Undertakings (PSU), Development Financial Institutions (DFI) and

Infrastructure-related agencies; debentures and money market instruments issued by corporate sectors and banks. The Government of India routinely issues Government securities and Treasury bills for liquidity and fiscal management. While the Government issues Treasury bills for 91 days, 182 days and 364 days in a discounted form, coupon-bearing Government securities are issued for maturity ranging from 1 year to as high as 40 years. Both Treasury bills and coupon-bearing securities are auctioned by the RBI on behalf of the Government of India. The Indian bond market has also witnessed increased issuance of bonds from Government-sponsored institutions, DFIs, and infrastructure-related agencies since 1995. These bonds are rated by credit rating agencies like CRISIL, ICRA, CARE and India Ratings. They are widely held by market participants because of their liquidity and reduced risk perception due to the government stake in some of them.

The Indian corporate sector has also been frequently raising capital through issuance of non-convertible debentures and commercial papers. Most of the money is raised through the “Private placement” route. These debentures are mostly rated by rating agencies. While some of them trade very actively, most of them are not very liquid. Because of this, they normally trade at a marginally higher yield than bonds issued by PSU and other government-sponsored agencies.

Overview of Money Market in India

Money market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time. Money market assets are liquid and actively traded segment of fixed income markets.

Treasury bills are issued by the Government of India through regular weekly auctions, while Cash Management Bills are issued on an ad-hoc basis. They are mostly subscribed by banks, state governments and other entities. As on 20 Mar 2020, total outstanding treasury bills (including cash management bills) are Rs. 4,79,779 crore.

Certificate of Deposits are issued by scheduled banks for their short-term funding needs. They are normally available for up to 365 days tenor. Certificate of deposits issued by public sector banks are normally rated A1+ (highest short-term rating) by various rating agencies. As on 28 Feb 2020, outstanding Certificate of Deposits are Rs.1,85,932 crore*. Certificate of deposits currently trade at a spread of around 125 basis points** over comparable treasury bills as on 31 Mar. 2020, for a one year tenor.

Commercial Papers are issued by corporate entities for their short-term cash requirements. Commercial Papers are normally rated A1+ (highest short-term rating). As on 15 Mar 2020, total outstanding Commercial Papers are Rs. 4,01,725 crore*. Commercial papers trade at around 255 basis points** over comparable treasury bills as on 31 Mar 2020, for a one year tenor.

Call Money, TREPS and CROMS are mainly used by the borrowers to borrow a large sum of money on an over-night basis. While Call Money is an unsecured mode of borrowing, TREPS and CROMS are secured borrowing backed by collaterals approved by the Clearing Corporation of India.

*Source: Reserve Bank of India Bulletin, Weekly Statistical Supplement, March 27, 2020

** Internal estimates

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type of Scheme -

- Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks.

(ii) Investment Objective

- Main Objective - Please refer “**What is the Investment Objective of the Scheme?**”
- Investment pattern - Please refer “**How will the Scheme allocate its assets?**”

(iii) Terms of Issue

- Liquidity provisions such as listing, repurchase, redemption. Please refer, “Section VI. Units and Offer.”
- Aggregate fees and expenses charged to the Scheme. Please refer, “Section VII. Fees and Expenses.”
- Any safety net or guarantee provided - Not applicable.

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustee shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fees and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder and affect the interests of Unit Holders is carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit Holders are given an option for a period of 30 days to exit at the prevailing NAV without any exit load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Board adopted Benchmark for comparing the performance of the Scheme Nifty 500 Index TRI.

The composition of the benchmark is such that they are most suited for comparing performance of the Scheme. The Trustee may change the benchmark for any of the Scheme in future, if a benchmark better suited to the investment objective of that Scheme is available at such time.

Scheme which are benchmarked to the Nifty 500 Index TRI, are not sponsored, endorsed, sold or promoted by NSE Indices Limited. NSE Indices Limited is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall NSE Indices Limited have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise, of the Scheme marked to such index.

H. WHO WILL MANAGE THE SCHEME?

Fund Manager	Age	Tenure	Qualifications	Brief Experience	Other Scheme managed
Mr. Atul Bhole	41 years	3 year 8 months (Managing the Scheme from June 2016.)	M.M.S. (Finance JBIMS), CA, B.Com.	Over 15 years of experience as detailed under: From May 2016 to present: Vice President - DSPIM. From April 2011 to April 2016: Fund Manager -Tata Asset Management Ltd. From February 2007 to March 2011: Equity Research Analyst- Tata Asset Management Ltd. From November 06 to February 2007: Equity Research Analyst - JP Morgan Services (India) Pvt. Ltd. From June 2005 to October 2006: Equity Research Analyst - State Bank of India (Treasury).	Co - Fund Manager of DSP Equity & Bond Fund and DSP Dynamic Asset Allocation Fund

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

As per the Trust Deed read with the SEBI (MF) Regulations, the following investment restrictions apply in respect of the Scheme at the time of making investments. However, all investments by the Scheme will be made in accordance with the investment objective, asset allocation and where will the Scheme invest, described earlier, as well as the SEBI (MF) Regulations, including Schedule VII thereof, as amended from time to time.

1. (i) The Scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act 1992. Such investment limit may be extended to 12% of the NAV of the Scheme with the prior approval of the Board of Trustees and the Board of AMC.

Provided that such limit shall not be applicable for investments in Government securities, T-Bills and CBLO.

Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with the Board.

(ii) The Scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.

Provided that Mutual Fund Schemes may invest in unlisted Non-Convertible Debentures (NCD) upto a maximum of 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

(iii) Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. shall be subject to the following:

- a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
- b. Exposure of mutual fund schemes in such instruments shall not exceed 5% of the net assets of the schemes.

All such investments shall be made with the prior approval of the Board of AMC and the Board of trustees.

2. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.
3. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

- i. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
- ii. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
- iii. Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

- iv. Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

4. The Mutual Fund under all its Scheme shall not own more than 10% of any company's paid up capital carrying voting rights.
5. Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed only if:
 - (i) such transfer is done at the prevailing market price for quoted instruments on spot basis (spot basis shall have the same meaning as specified by a stock exchange for spot transactions); and transfer of unquoted securities will be made as per the policy laid down by the Trustee from time to time; and
 - (ii) the securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

SEBI vide circular no SEBI/HO/IMD/DF4/CIR/P/2019/102 dt. September 24, 2019 has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

6. The Scheme may invest in another Scheme (except fund of funds Scheme) under the AMC or any other mutual fund without charging any fees, provided that the aggregate inter-Scheme investment made by all Scheme under the same management or in Scheme under the management of any other asset management company shall not exceed 5% of the Net Asset Value of the Mutual Fund. However, this clause shall not apply to fund of funds Scheme and investments in mutual funds in foreign countries.
7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that the Mutual Fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

8. Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short-term deposits of scheduled commercial banks, subject to the following conditions issued by SEBI vide its circular SEBI/IMD/CIR No. 1/91171 /07 dated April 16, 2007, SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019:
 - i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
 - ii. Such short-term deposits shall be held in the name of the Scheme.
 - iii. The Scheme shall not park more than 15% of their net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
 - v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.

- vi. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
- vii. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.

9. No Scheme shall make any investment in:
 - i. any unlisted security of any associate or group company of the Sponsors; or
 - ii. any security issued by way of private placement by an associate or group company of the Sponsors; or
 - iii. the listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets.
10. The Scheme shall not make any investment in any fund of funds Scheme.
11. No Scheme shall invest more than 10% of its NAV in the equity shares/equity related instruments of any company or listed securities or units of venture capital funds. Provided that the limit of 10% shall not be applicable for investments in the case of index fund or sector or industry specific Scheme.
12. No Scheme, shall invest more than 5% of its NAV in the unlisted equity shares/equity related instruments or unlisted securities or units of venture capital funds.
13. No term loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or dividends to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Scheme and the duration of such borrowing shall not exceed a period of six months.
14. If any company invests more than 5 percent of the NAV of any of the Scheme, investment made by that or any other Scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.
15. The Mutual Fund may enter into short selling transactions and may lend and borrow securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI.
16. The cumulative gross exposure through equity, debt and derivatives position shall not exceed 100% of the net assets of the respective Scheme. However, the following shall not be considered while calculating the gross exposure:
 - a. Security-wise hedged position and
 - b. Exposure in cash or cash equivalents with residual maturity of less than 91 days.
17. The total exposure of all Debt oriented Schemes in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, TBills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme and an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to HFCs. The additional exposure to such securities issued by HFCs should be rated AA and above and these HFCs should be registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the Scheme. Further, an additional exposure of 5% shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

At the time of investment, the AMC would use Association of Mutual Funds in India (AMFI) defined sector category.

The list of sector/category of investment including rating and limits are subject to regulatory changes.

18. i) The total exposure of the Scheme in a particular group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees.

ii) The investments by debt mutual fund schemes in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

For this purpose, a group means a group as defined under regulation 2(mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

19. No sponsor of a mutual fund, its associate or group company including the asset management company of the fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, have -

- a. 10% or more of the share-holding or voting rights in the asset management company or the trustee company of any other mutual fund; or
- b. representation on the board of the asset management company or the trustee company of any other mutual fund.

20. The Scheme will comply with any other Regulations applicable to the investment of mutual funds from time to time.

These investment limitations/parameters as expressed (linked to the Net Asset/Net Asset Value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any Scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Mutual Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit Holders.

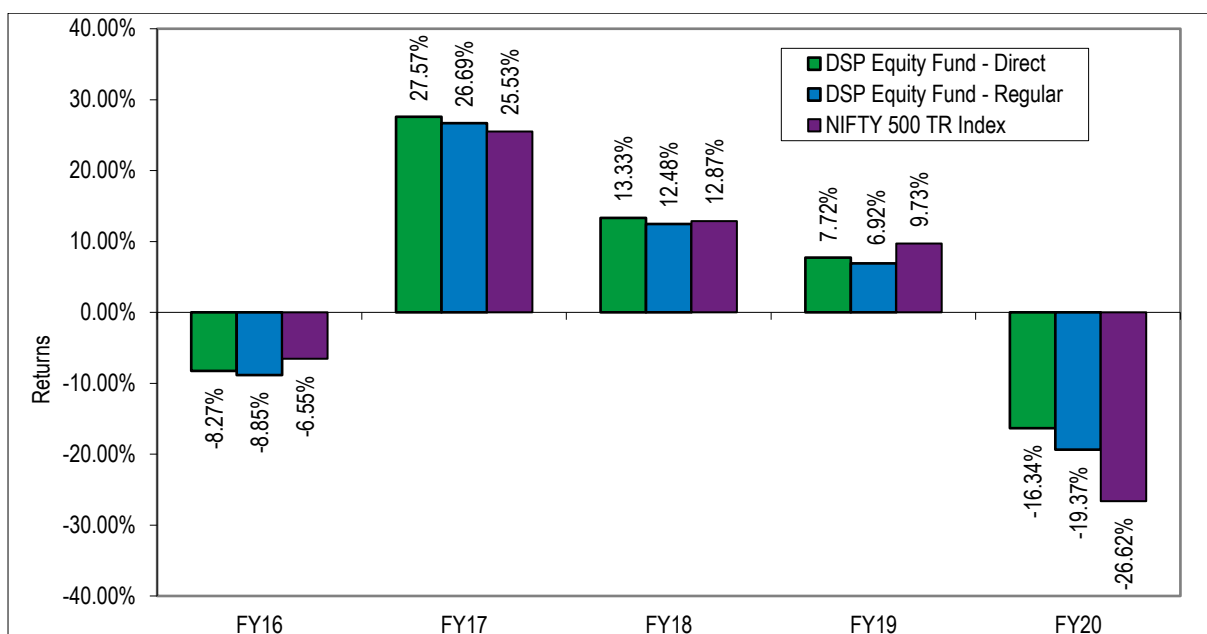
Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations, internal risk parameters for limiting exposure to a particular Scheme may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.

All the investment restrictions shall be applicable at the time of making investments.

J. HOW HAS THE SCHEME PERFORMED?

(a) Absolute Returns



The options under which the returns are calculated for Regular Plan is Dividend Reinvest Option, assuming reinvestment of dividend and for Direct Plan the returns are for Growth option. Returns are computed from the Date of Allotment/1st April, as the case may be, to 31st March of the respective financial year.

(b) Compounded Annualised Returns as of March 31, 2020

Period	DSP Equity Fund - Regular Plan - Dividend Reinvest	Nifty 500 TRI	DSP Equity Fund - Direct Plan - Growth	Nifty 500 TRI
Last 1 Year	-19.22%	-26.44%	-16.22%	-26.44%
Last 3 Year	-1.02%	-3.14%	0.71%	-3.14%
Last 5 Year	2.29%	1.29%	3.62%	1.29%
Since Inception	17.51%	12.40%	9.17%	6.62%
Nav/ Index value	31.8050	10,540.43	34.0890	10,540.43
Date of allotment	29-April -1997		01-Jan-13	

Note: The options under which the returns are calculated for Regular Plan is Dividend Reinvest Option, assuming reinvestment of dividend and for Direct Plan the returns are for Growth option. DSPEF, which is benchmarked to the Nifty 500 Index TRI, is not sponsored, endorsed, sold or promoted by NSE Indices Limited. NSE Indices Limited is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall NSE Indices Limited have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of DSPEF marked to such index. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.**

The Regular Plan and Direct Plan under the Scheme will have a common portfolio; however, their returns are expected to vary in line with the specified expense ratio under the relevant Plan.

All benchmark returns are computed basis Total Return Index.

Disclosure as per SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016:

SCHEME PORTFOLIO HOLDING (TOP 10 HOLDINGS)

Top 10 Holdings issuer wise (As on March 31, 2020)	% of Scheme
HDFC Bank Limited	8.05%

Bajaj Finance Limited	6.64%
ICICI Bank Limited	6.59%
Kotak Mahindra Bank Limited	4.92%
Clearing Corporation of India Ltd.	4.22%
Bharti Airtel Limited	4.10%
UltraTech Cement Limited	3.84%
Avenue Supermarts Limited	3.68%
Alkem Laboratories Limited	3.49%
Dr. Reddy's Laboratories Limited	3.11%

Link to the scheme's latest monthly portfolio holding:

<https://dspim.com/about-us/mandatory-disclosure/top-10-and-sector-allocation>

SECTOR ALLOCATION

Sector wise break up (As on March 31, 2020)

Sector	% of Scheme
BANKS - PRIVATE	21.78%
CONSUMER GOODS	19.21%
NBFC-OFI	12.17%
PHARMA	10.59%
CEMENT & CEMENT PRODUCTS	6.72%
TREPS / REVERSE REPO / CORPORATE DEBT REPO	4.22%
TELECOM	4.10%
IT	3.21%
CONSTRUCTION	2.99%
CHEMICALS	2.97%
FERTILISERS & PESTICIDES	2.60%
INDUSTRIAL MANUFACTURING	2.57%
AUTOMOBILE	2.43%
FINANCIAL SERVICES	1.33%
TEXTILES	0.24%
MEDIA & ENTERTAINMENT	0.00%
NET RECEIVABLES/PAYABLES	2.89%
GRAND TOTAL	100.00%

Portfolio Turnover Ratio: 0.56

K. HOW IS THE SCHEME DIFFERENT FROM THE EXISTING SCHEME OF THE MUTUAL FUND?

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
DSP Equity Fund	The primary investment objective of the Scheme is to seek to generate long term capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of issuers domiciled in India. There is no assurance that the investment objective of the Scheme will be realized	Equity and equity related securities: 90% - 100% *Debt and Money Market Securities: 0% - 10% *Debt securities /instruments are deemed to include securitised debts.	30319	137283	332.67	2416.42
DSP Focus Fund	The primary investment objective of the Scheme is to generate long-term capital growth from a portfolio of equity and equity-related securities including equity derivatives. The portfolio will consist of multi cap companies by market capitalisation. The Scheme will hold equity and equity-related securities including equity derivatives, of upto 30 companies. The Scheme may also invest in debt and money market securities, for defensive considerations and/or for managing liquidity requirements. There is no assurance that the investment	(a) Equity & equity related instruments: 65% - 100% (b) Debt and Money Market Securities*: 0% - 35% (c) Units issued by REITs & InvITs: 0% -10% *Debt and money market instruments will include investments in securitised debt.	13309	83096	220.77	1212.32

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	objective of the Scheme will be realized					
DSP India T.I.G.E.R Fund (The Infrastructure Growth and Economic Reforms Fund)	The primary investment objective of the Scheme is to seek to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/or from continuing investments in infrastructure, both by the public and private sector. There is no assurance that the investment objective of the Scheme will be realized	Equity and equity related securities of Companies whose fundamentals and future growth could be influenced by the ongoing process of economic reforms and/or Infrastructure development theme: 80% - 100% Equity and Equity related securities of other Companies: 0% - 20% Debt, securitized debt and Money Market Securities: 0% - 20% Units of REITs and InvITs: 0%-10%	6397	89426	41.30	619.80
DSP Natural Resources and New Energy Fund	The primary investment objective of the Scheme is to seek to generate capital appreciation and provide long term growth opportunities by investing in equity and equity related securities of companies domiciled in India whose pre-dominant economic activity is in the:	Equity and Equity related Securities of companies domiciled in India, and principally engaged in the discovery, development, production or distribution of Natural Resources and Alternative Energy : 65% - 100%	27696	32901	96.24	136.20

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	<p>(a) discovery, development, production, or distribution of natural resources, viz., energy, mining etc.;</p> <p>(b) alternative energy and energy technology sectors, with emphasis given to renewable energy, automotive and on-site power generation, energy storage and enabling energy technologies.</p> <p>The Scheme will also invest a certain portion of its corpus in the equity and equity related securities of companies domiciled overseas, which are principally engaged in the discovery, development, production or distribution of natural resources and alternative energy and/or the units/shares of BlackRock Global Funds - New Energy Fund, BlackRock Global Funds - World Energy Fund and similar other overseas mutual fund schemes.</p> <p>The secondary objective is to generate consistent returns by investing in debt and money market securities.</p> <p>There is no assurance that the investment</p>	<p>(a) Equity and Equity related Securities of companies domiciled overseas and principally engaged in the discovery, development, production or distribution of Natural Resources and Alternative Energy. (b) Units/shares of (i) BlackRock Global Funds - New Energy Fund (ii) BlackRock Global Funds - World Energy Fund and (iii) Similar other overseas mutual fund Scheme: 0% - 35% Debt and Money Market Securities: 0% - 20%</p>				

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	objective of the Scheme will be realized					
DSP Equity Opportunities Fund	The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of large and midcap companies. From time to time, the fund manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. There is no assurance that the investment objective of the Scheme will be realized	1(a) Equity & equity related instruments of large cap companies#: 35%-65% 1(b) Equity & equity related instruments of mid cap companies\$: 35%-65% 1(c) Investment in other equity and equity related instruments: 0%-30% 2. Debt* and Money Market Securities: 0%-30% 3. Units of REITs and InvITs: 0%-10% #1 st - 100 th company in terms of full market capitalization would be considered as large cap companies. §101 st - 250 th company in terms of full market capitalization would be considered as midcap companies. *Debt securities/instruments are deemed to include securitized debts	33381	260925	570.18	3318.62

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
DSP Mid Cap Fund	The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of midcap companies. From time to time, the fund manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. There is no assurance that the investment objective of the Scheme will be realized	1(a) Equity & equity related instruments of mid cap companies#: 65%-100% 1(b) Other equity & equity related instruments: 0%-35% 2. Debt and Money Market Securities*: 0%-35% 3. Units issued by REITs & InvITs: 0%-10% *Debt and money market instruments will include investments in securitised debt. #101 st - 250 th company in terms of full market capitalization would be considered as midcap companies.	77944	432469	905.15	4760.30
DSP Tax Saver Fund	An open ended equity linked savings Scheme, whose primary investment objective is to seek to generate medium to long-term capital appreciation from a diversified portfolio that is substantially constituted of equity and equity related securities of corporates, and to enable investors avail of a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.	Equity and equity related securities: 80% - 100% of which Investments in ADRs, GDRs and foreign equity securities: 0% - 20% Debt, securitised debt* and money market securities: 0% - 20% *Exposure to securitized debt will not exceed 10% of the net assets of the Scheme	187395	650974	761.07	3912.46

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	There is no assurance that the investment objective of the Scheme will be realized					
DSP Top 100 Equity Fund	The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of large cap companies. From time to time, the fund manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. There is no assurance that the investment objective of the Scheme will be realized.	1(a) Equity & equity related instruments of large cap companies# - 80% - 100% 1(b) Investment in other equity and equity related instruments - 0% - 20% 2. Debt* and Money Market Securities - 0% - 20% 3. Units of REITs and InvITs - 0% - 10%	18020	139640	174.33	1626.12
DSP Small Cap Fund	The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities of small cap companies. From time to time, the fund manager will also seek participation in other equity and equity related securities to achieve	1(a) Equity & equity related instruments of small cap companies#: 65% - 100% 1(b) Other equity & equity related instruments which are in the top 250 stocks by market capitalization: 0% - 35% 2. Debt*\$ and Money Market Securities: 0% - 35%	65843	361994	592.68	2912.34

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	optimal portfolio construction. There is no assurance that the investment objective of the Scheme will be realized	<p>3. Units issued by REITs & InvITs: 0% - 10%</p> <p>#251st company onwards in terms of full market capitalization would be considered as small cap companies.</p> <p>*Debt instruments may include securitised debt upto 10% of the net assets of the Scheme.</p>				
DSP Equity Savings Fund	The primary objective of the Scheme is to generate income through investments in fixed income securities and using arbitrage and other derivative Strategies. The Scheme also intends to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. There is no assurance that the investment objective of the Scheme will be realized	<p>Equity & Equity related instruments including derivatives: 65%-75%</p> <p>A1. Of which cash-futures arbitrage*:25%-55%</p> <p>A2. Of which net long equity exposure^: 20% - 40%</p> <p>B. Debt and money market instruments :15% - 35%</p> <p>C. Units issued by REITs & InvITs : 0% -10%</p> <p>*Refers to equity exposure completely hedged with corresponding equity derivatives ^Refers to only net long equity exposures aimed to gain from</p>	2193	11719	170.50	379.99

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
		potential capital appreciation and thus is a directional equity exposure which will not be hedged.				
DSP Equity & Bond Fund	The primary investment objective of the Scheme is to seek to generate long term capital appreciation and current income from a portfolio constituted of equity and equity related securities as well as fixed income securities (debt and money market securities). There is no assurance that the investment objective of the Scheme will be realized	Equity and equity related securities: 65% - 75% Fixed income securities (Debt, securitized debt and money market securities): 25% - 35%	13994	160622	429.26	4687.44
DSP Dynamic Asset Allocation Fund	The investment objective of the Scheme is to seek capital appreciation by managing the asset allocation between equity and fixed income securities. The Scheme will dynamically manage the asset allocation between equity and fixed income based on the relative valuation of equity and debt markets. The Scheme intends to generate long-term capital appreciation by investing in equity and equity related instruments and	A. Equity & Equity related instruments Including derivatives: 65% - 100% B. Debt and money market instruments: 0%- 35%	3492	23049	74.28	1072.47

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	seeks to generate income through investments in fixed income securities and by using arbitrage and other derivative strategies. However, there can be no assurance that the investment objective of the scheme will be realized.					
DSP Arbitrage Fund	The investment objective of the Scheme is to generate income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative market. Investments may also be made in debt & money market instruments. there can be no assurance that the investment objective of the scheme will be realized.	Equity and equity related securities: 65% - 100% Equity Derivatives including Index Futures, Stock Futures, Stock Options, Index Options etc.: 65% - 100% Debt, Money market instruments: 0-35%	1872	3057	452.03	374.14
DSP Healthcare Fund	The primary investment objective of the scheme is to seek to generate consistent returns by predominantly investing in equity and equity related securities of pharmaceutical and healthcare companies. However, there can be no assurance that the investment objective of the	A. Equity and equity related securities of pharmaceutical and healthcare companies: 80% - 100% B. Equity and Equity related securities of other: 0% - 20% C. Companies Debt, securitized debt and Money Market	4307	19444	64.59	216.89

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	scheme will be realized.	Securities: 0% - 20% D. Units issued by REITs & InvITs: 0% - 10% The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time, including schemes of mutual funds.				
DSP Quant Fund	The investment objective of the Scheme is to deliver superior returns as compared to the underlying benchmark over the medium to long term through investing in equity and equity related securities. The portfolio of stocks will be selected, weighed and rebalanced using stock screeners, factor based scoring and an optimization formula which aims to enhance portfolio exposures to factors representing 'good investing principles' such as growth, value and quality within risk constraints. However, there can be no assurance that the investment objective of the	A. Equity & Equity related instruments including derivatives- 95%-100% B. Debt and money market instruments 0%-5% C. Units issued by REITs & InvITs- 0%- 5% D.	3687	6198	116.46	68.30

Scheme Name	Investment Objective	Allocation	Number of Folios (as on March 31, 2020)		AUM as on March 31, 2020 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	scheme will be realized.					

For detailed of asset allocation of the aforesaid schemes you may refer its Scheme Information documents available on www.dspim.com.

SECTION VI. UNITS AND OFFER

This section provides details an investor needs to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

This section does not apply, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

B. ONGOING OFFER DETAILS

1. Ongoing/Continuous Offer Period

(This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period)

The Continuous offer for the Scheme commenced from

- Regular Plan - April 30, 1997
- Direct Plan - January 1, 2013

2. Plans and Options offered under the Scheme

Plan	Options Available	Sub-Option	Dividend Frequency/Record Date
Regular Plan and Direct Plan	Growth	-	
	Dividend	Payout Dividend & Reinvest Dividend	At the discretion of Trustee

Notes:

- It should be noted that actual distribution of dividends and the frequency of distribution indicated above are provisional and will be entirely at the discretion of the Trustees. The Trustee reserves the right to alter the Record Date as stated herein, at its discretion. To the extent the entire net income and realised gains are not distributed, the same will remain invested in the Scheme concerned and be reflected in the NAV.
- There is no assurance or guarantee to the Unit Holders as to the rate of dividend distribution nor that dividends will be regularly paid, though it is the intention of the Scheme to make dividend distribution under the respective plan/options of the Scheme.
- An investor on record of the CAMS / Statement of Beneficiary Owners maintained by the Depositories for the purpose of dividend distribution is an investor who is a Unit Holder/Beneficial Owners as on the Record Date. In order to be a Unit Holder, an investor has to be allocated Units representing receipt of clear funds by the Scheme.

- d) Investors should indicate the Scheme / Plan and / or Option / Sub Option, wherever applicable, for which the subscription is made by mentioning the full name of Scheme/ Plan/ option or sub option in the appropriate space provided for this purpose in the application form. In case of valid applications received, without indicating the Scheme / Plan and / or Option etc. or where the details regarding Plan and/or Option are not clear or ambiguous, the following defaults will be applied:

If no indication is given under the following	Default
Option - Growth/Dividend	Growth Option
Sub-option - Payout Dividend/Reinvest Dividend	Payout Dividend

In case an investor/Unit Holder fails to mention the plan and broker details in the application form, then the application shall be processed under respective option/sub-option under Direct Plan of the Scheme.

Processing of Application Form/Transaction Request: The below table summarizes the procedures which would be adopted while processing application form/transaction request by the AMC.

Sr. No.	AMFI Registration Number (ARN) Code/Direct/Blank as mentioned in the application form/ transaction request	Plan as selected in the application form/ transaction request	Transaction shall be processed and Units shall be allotted under
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct	Direct Plan
3	Not mentioned	Regular	Direct Plan
4	Mentioned	Direct	Direct Plan
5	Direct	Not mentioned	Direct Plan
6	Direct	Regular	Direct Plan
7	Mentioned	Regular	Regular Plan
8	Mentioned	Not mentioned	Regular Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

- e) Any change in dividend sub option due to additional investment or customer request will be applicable to all existing Units in the dividend option of the Scheme concerned.
- f) Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Plan/Option, with a retrospective effect.
- g) Applications not specifying Scheme/Plans/Options and/ or accompanied by cheque/demand drafts/account to account transfer instructions favouring Scheme/Plans/Options other than those specified in the application form are liable to be rejected.
- h) Where the Scheme name as written on the application form and on the payment instrument differs, the proceeds may, at the discretion of the AMC be allotted in the Scheme as mentioned on the application form.
- i) Dividend payments shall be made to the Unit Holders within 30 days of the date of declaration of the dividend.
- j) Investors should provide details/instructions only in the space provided in the form. Any details/noting/information/ instruction provided at a non designated area of the standard form being used, or any additional details, for which space is not designated in the standard form, may not be executed and the AMC will not be liable for the same.

- k) The AMC and its Registrar reserve the right to disclose the details of investors and their transactions to third parties viz. banks, distributors, Registered Investment Advisors from whom applications of investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with anti- money laundering requirements.
- l) Returned cheques are liable not to be presented again for collection, and the accompanying application could also be rejected. In case returned cheques are presented, the necessary charges including returned charges may be debited to the investor.

3. Dividend Policy

(i) Growth Option

Under this option, the Mutual Fund will not declare any dividend. The income earned by the Scheme will remain invested in the Scheme concerned and will be reflected in the NAV. This Option is suitable for investors who are not looking for current income but who have invested only with the intention of capital appreciation. Moreover, if Units under this Option are held as a capital asset for a period of greater than 12 months from the date of acquisition, Unit Holders should get the benefit of long term capital gains tax. Please refer the section “A. Taxation on investing in Mutual Funds” under “**Clause VIII. Tax & Legal & General Information**” in the SAI.

(ii) Dividend Option

The above option is suited for investors seeking income through dividend declared by the Scheme. Only Unit Holders opting for such option will receive dividends. Under this option, the Scheme envisage declaring dividends comprising substantially of net income and realized gains.

The option stated in point (ii) above, in turn offer two sub- options i.e. “Payout Dividend” or “Reinvest Dividend”

- **Payout Dividend**

As per the SEBI (MF) Regulations, the Mutual Fund shall dispatch to the Unit Holders, dividend warrants within 30 days of declaration of the Dividend. Dividend will be payable to those Unit Holders whose names appear in the Register of Unit Holders on the date (Record Date). Dividend will be paid by cheque, net of taxes as may be applicable. Unit Holders will also have the option of direct payment of dividend to the bank account. The cheques will be drawn in the name of the sole/first holder and will be posted to the registered address of the sole/first holder as indicated in the original application form entirely at the risk of the unitholders. **To safeguard the interest of Unit Holders from loss or theft of dividend cheques, investors should provide the name of their bank, branch and account number in the application form. Dividend cheques will be sent to the Unit Holder after incorporating such information.**

- If the dividend amount payable (net of tax deducted at source, wherever applicable) under the Dividend Payout sub-option of the Scheme is for an amount equal to or less than (i) Rs. 250/- in the then such dividend will compulsorily and automatically reinvested in the Scheme/Plan by issuing additional Units of the Scheme under Regular Plan/ Direct Plan at the Applicable NAV on the next Business day after the Record Date. There shall be no load on dividend so reinvested.

- **Reinvest Dividend**

Under this sub-option, dividends will be reinvested by way of additional Units of the Scheme instead of being paid out. Such reinvestment will be at the applicable NAV on the next Business Day after the Record Date. There shall however, be no entry load/exit load, if any, on the dividends so re- invested. The dividends so reinvested shall be constructive payment of dividends to the Unit Holders and constructive receipt of the same amount from each Unit Holder, for reinvestment in Units. The additional Units issued under this option and held as capital asset would get the benefit of long term capital gains if sold after being held for greater than 12 months. For this purpose, 12 months will be computed from the date when such additional Units are issued/allotted.

Effect of Dividend: The NAV of the Unit Holders in Dividend Option will stand reduced by the amount of dividend declared.

On declaration of dividend, the NAV of the dividend option will further stand reduced by the applicable dividend distribution tax/surcharge/cess/any other statutory levy. Notwithstanding varying rates of statutory levies, the ex- dividend NAV will remain the same for all categories of investors in a particular option, though the amount of dividend received by Unit Holders may vary depending on the category of each Unit Holder.

For details on taxation of dividend please refer the SAI.

4. Minimum amount for Application/Redemption

▪ First Purchase and Subsequent Purchase	Rs. 500/- and any amount thereafter
▪ SIP Purchase	Rs. 500/- and any amount thereafter
Minimum amount for Redemption*	Rs. 500/- or all units where amount is below Rs. 500/

*In case of Units held in dematerialized mode, the redemption request can be given only with DPs or on Stock exchange Platform; and only in number of Units and the provision pertaining to 'Minimum amount for Redemption' shall not be applicable to such investors.

The Trustee shall have absolute discretion to reject any application for purchase of Units, if in its opinion, increasing the size of the Unit Capital is not in the general interest of the Unit Holders, or if for any other reason it does not believe it would be in the best interest of the Scheme or its Unit Holders to accept such an application.

5. Ongoing price for subscription (Purchase Price)/ switch -in from other Scheme/ plan

(This is the price you need to pay for purchase/switch-in)

The Purchase Price of the Units on an ongoing basis will be calculated as described below, which is based on the Applicable NAV

Purchase Price = Applicable NAV

Illustration:

Say, Applicable NAV = Rs. 12/-

Therefore, Purchase Price = Rs.12/-

The Mutual Fund shall ensure that the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Unit shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the SEBI (MF) Regulations

6. Ongoing price for redemption (sale) /switch outs (to other Scheme/plans of the Mutual Fund)/intra-Plan switching by investors (Redemption Price)

(This is the price you will receive for redemptions/switch outs)

The Redemption Price of the Units will be calculated on the basis of the Applicable NAV subject to prevailing Exit Load, if any. In the case of Scheme which currently have no Exit Load, the Redemption Price will be the Applicable NAV. In the case of Scheme having an Exit Load or in which an Exit Load is introduced, the Redemption Price will be calculated as under:

Redemption Price = Applicable NAV x (1 - Exit Load)

Illustration:

Say, Applicable NAV = Rs. 12.0000 and the Exit Load is 0.50%,

Redemption Price = 12 x (1-0.005) = Rs. 11.9400.

Investors may note that the Trustee has the right to modify the existing Load Structure in any manner or introduce an Exit Load or a combination of Exit Load and/or any other Load subject to a maximum as prescribed under the SEBI (MF) Regulations. Should the Trustee on any date, impose or enhance any load, such imposition or enhancement shall be applicable on prospective investment only.

The Mutual Fund shall ensure that the Redemption Price is not lower than 93% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Unit shall not exceed the permissible limit of 7% of the Purchase Price, as provided under SEBI (MF) Regulations.

For details on load structure please see, Section 'VII. Fees and Expenses, C. Load Structure.'

7. Applicable NAV and Cut-off time

Applicable NAV is the Net Asset Value per Unit at the close of the Business Day on which a valid application is accepted and time stamped. An Application will be considered accepted on a Business Day, subject to it being complete in all respects and received and time stamped upto the relevant cut-off time as specified below, at any of the official points of acceptance of transactions. Applications received via post or courier at any of the centres will be accepted on the basis of when the application is time stamped by the centre and not on the basis of date and time of receipt of the post or the courier.

In respect of valid applications with outstation cheques/demand drafts not payable at par at the place where the application is received and time-stamped, closing NAV of the day on which cheque/demand draft is credited shall be applicable. The NAV applicability for purchase/subsorption in the Scheme for amount equal to or greater than Rs. 2 Lakhs will be subject to following clauses:

1. Application for purchase/subsorption is received before the applicable cut-off time on a business day.
2. Funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the subscription in Scheme before the cut-off time.
3. The Funds are available for utilization before the cut-off time the Scheme.

(a) Purchase and Switch-in	
(i) For amount less than Rs. 2 Lakhs	
Particulars	Applicable NAV
Where the application is received on any Business Day at the official point(s) of acceptance of transaction along with a local cheque or a demand draft payable at par at the place of submission of the application upto 3.00 p.m.	NAV of the same day.
Where the application is received after 3.00 p.m.	NAV of the next Business Day.
(ii) For amount equal to or greater than Rs. 2 Lakhs	
Particulars	Applicable NAV
Where the application is received upto cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization upto 3.00 p.m. on the same Business Day.	NAV of same Business Day shall be applicable
Where the application is received upto cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire	NAV of such subsequent Business Day on which the funds are available for utilization prior to 3.00 p.m.

amount of subscription/purchase are available for utilization after 3.00 p.m. on the same Business Day or on any subsequent Business Day	
Where the application is received after cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization upto 3.00 p.m. on the same Business Day.	NAV of subsequent Business Day shall be applicable
Where the application is received after cut-off time of 3.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization after 3.00 p.m. on the same Business Day or any subsequent Business Day	NAV of such subsequent Business Day on which fund realized prior to 3.00 p.m. shall be applicable.
(b) Redemption /Switch-out	
Particulars	Applicable NAV
Where the application is received on any Business Day at the official points of acceptance of transactions upto 3.00 p.m.	NAV of the same day
Where the application is received after 3.00 p.m.	NAV of the next Business Day.

Temporary cut off timing for NAV Applicability- (From April 18, 2020 to April 30, 2020)-

In line with SEBI email dated April 16, 2020, cut-off timings for NAV applicability mentioned in below table shall be effective for temporary period with effect from April 18, 2020 till April 30, 2020 only.

(a) Purchase and Switch-in	
(i) For amount less than Rs. 2 Lakhs	
Particulars	Applicable NAV
Where the application is received on any Business Day at the official point(s) of acceptance of transaction along with a local cheque or a demand draft payable at par at the place of submission of the application upto 1.00 p.m.	NAV of the same day.
Where the application is received after 1.00 p.m.	NAV of the next Business Day.
(ii) For amount equal to or greater than Rs. 2 Lakhs	
Particulars	Applicable NAV
Where the application is received upto cut-off time of 1.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization upto 1.00 p.m. on the same Business Day.	NAV of same Business Day shall be applicable
Where the application is received upto cut-off time of 1.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization after 1.00 p.m. on the same Business Day or on any subsequent Business Day	NAV of such subsequent Business Day on which the funds are available for utilization prior to 1.00 p.m.

Where the application is received after cut-off time of 1.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization upto 1.00 p.m. on the same Business Day.	NAV of subsequent Business Day shall be applicable
Where the application is received after cut-off time of 1.00 p.m. on a business day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase are available for utilization after 1.00 p.m. on the same Business Day or any subsequent Business Day	NAV of such subsequent Business Day on which fund realized prior to 1.00 p.m. shall be applicable.
(b) Redemption /Switch-out	
Particulars	Applicable NAV
Where the application is received on any Business Day at the official points of acceptance of transactions upto 1.00 p.m.	NAV of the same day
Where the application is received after 1.00 p.m.	NAV of the next Business Day.

Transaction through online facilities/ electronic mode: The time of transaction done through various online facilities/electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request of purchase/sale/switch of units is received in the servers of AMC/RTA as per terms and conditions of such facilities.

With respect to investors who transact through the stock exchange, Applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by stock exchange mechanism.

Applicable Net Asset Value in case of Multiple applications/transactions received under all open-ended Schemes of the Fund: All transactions as per conditions mentioned below shall be aggregated and closing NAV of the day on which funds for respective transaction (irrespective of source of funds) are available for utilization will be applied where the aggregated amount of investment is for Rs.2.00 Lakhs (Two Lakhs) and above.

1. All transactions received on same Business Day (as per cut-off timing and Time stamping rule).
2. Aggregation of transactions shall be applicable to the Scheme.
3. Transactions shall include purchases, additional purchases and exclude Switches, SIP/STP and trigger transactions.
4. Aggregation of transactions shall be done on the basis of investor/s/Unit Holder/s Permanent Account Number (PAN). In case of joint holding in folios, transactions with similar holding pattern will be aggregated. The principle followed for such aggregation will be similar as applied for compilation of Consolidated Account Statement (CAS).
5. All transactions will be aggregated where investor holding pattern is same as stated in point no.4 above, irrespective of whether the amount of the individual transaction is above or below Rs. 2 Lakhs (Two Lakhs).
6. Only transactions in the same Scheme of the Fund shall be clubbed. It will include transactions at Plans/Options level (i.e. Regular Plan, Direct Plan, Dividend Option, Growth Option, etc).
7. Transactions in the name of minor received through guardian will not be aggregated with the transaction in the name of same guardian. However, two or more transactions in folios of a minor received through same guardian will be considered for aggregation.
8. In the case funds are received on separate days and are available for utilization on different business days before the cut off time, the applicable NAV shall be of the Business day/s on which the cleared funds are available for utilization for the respective application amount.

For Switching:

Valid switch applications received will be considered for processing on the earliest day which is a Business Day for both the 'Switch out' Scheme and the 'Switch in' Scheme. Applications for 'switch in' shall be treated as purchase applications and the Applicable NAV based on the cut off time for purchase shall be applied. Applications for 'Switch out' shall be treated as redemption applications and the Applicable NAV based on the cut off time for redemption shall be applied.

Where an application is received and time stamping is done after the cut-off time, the request will be deemed to have been received on the next Business Day.

Further it is clarified that switches will be considered as redemption in the switch-out Scheme and purchase / subscription in the switch-in Scheme.

8. Who can invest?

(This is an indicative list and investors are requested to consult their financial advisors to ascertain whether the Scheme is suitable to their risk profile.)

The following persons (subject to, wherever relevant, purchase of units of mutual funds being permitted under respective constitutions and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme:

- Indian Resident Adult Individuals either singly or jointly (not exceeding three)
- Minors through parent/legal guardian
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of Units is permitted under the respective constitutions)
- Religious, Charitable and Private Trusts, under the provisions of 11(5) of Income Tax Act, 1961 read with Rule 17C of Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required)
- Trustee of private trusts authorised to invest in mutual fund Scheme under the Trust Deed
- Partnership Firms and Limited Liability Partnerships (LLPs)
- Karta of Hindu Undivided Family (HUF)
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions
- NRIs/Persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or on non-repatriation basis
- Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
- Army, Air Force, Navy and other para-military units and bodies created by such institutions
- Scientific and Industrial Research Organisations
- International Multilateral Agencies approved by the Government of India
- Non-Government Provident/Pension/Gratuity funds as and when permitted to invest
- Others who are permitted to invest in the Scheme as per their respective constitutions
- Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 1996
- A Scheme of the DSP Mutual Fund, subject to the conditions and limits prescribed in SEBI (MF) Regulations and/or by the Trustee, AMC or Sponsors (The AMC shall not charge any fees on such investments).
- The AMC (No fees shall be charged on such investments).
- All category of investors (whether existing or new) as permitted above are eligible to subscribe under Direct Plan. Investments under the Direct Plan can be made through various mode offered by the Fund for investing directly in the Fund.

Note: For Investments 'On behalf of Minor': Where the investment is on behalf of minor by the guardian, please note the following important points.

- a) The minor shall be the sole and only first holder in the account. Nomination facility is not available for applications/ folios on behalf of a minor. Joint holders' details and nomination details, even if mentioned and signed will not be considered.
- b) Guardian of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
- c) Details like minor's date of birth, Guardian's relation with Minor, Guardian name, PAN, KYC are mandatory, along with supporting documents. Photo copy of the document evidencing the date of birth of minor like
 - i. Birth certificate of the minor, or
 - ii. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 - iii. Passport of the minor, or
 - iv. Any other suitable proof should be attached with the application form.
- d) Where the guardian is not a natural guardian (father or mother) and is a court appointed legal guardian, suitable supporting documentary evidence should be provided.
- e) If the mandatory details and/or documents are not provided, the application is liable to be rejected without any information to the applicant.

A minor Unit Holder, on becoming major, may inform the Registrar about attaining majority, and provide his specimen signature duly authenticated by his banker as well as his details of bank account and a certified true copy of the PAN card, KYC details and such other details as may be asked by AMC from time to time to enable the Registrar to update records and allow the minor turned major to operate the account in his own right.

- **Aggregate investment in the scheme under the following categories:**

Sr. no.	Category	Total amount invested as on March 31, 2020 (Amt in cr.)
1	AMC's Board of Directors*	18.4506
2	Concerned scheme's Fund Manager(s) and	1.0441
3	Other key managerial personnel*	11.6954

The above investment indicates details of investment where the said Director/personnel is the first holder.

*Investments made by Ms. Aditi Kothari Desai (Director and Head - Sales, DSP Investment Managers Private Limited) have been included in the following categories - (a) AMC's Board of Directors and (b) Other Key managerial personnel.

INVESTMENT BY THE AMC:

AMC has complied with the Notification number No. LAD-NRO/GN/2014-15/01 dated May 6, 2014 relating to investment of not less than one percent of the assets under management of the scheme or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

- **Applicability and provisions of Foreign Account Compliance Act (FATCA):**

For further details relating to FATCA, investors are requested to refer SAI which is available on the website viz. www.dspim.com

Non-acceptance of subscriptions from U.S. Persons and Residents of Canada in Scheme of the Fund

United States Person (U.S. Person), corporations and other entities organized under the applicable laws of the U.S. and Residents of Canada as defined under the applicable laws of Canada should not invest in units of any of the Schemes of the Fund and should note the following:

- No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans) /additional purchases/switches in any Schemes of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund. However, lump sum subscription and switch transactions requests received from U.S. persons who are Non-resident Indians (NRIs) /Persons of Indian origin (PIO) and at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/ Trustee Company from time to time shall be accepted. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to reject the transaction request or redeem with applicable exit load and TDS or reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.
- All existing registered Systematic Investment Plans and Systematic Transfer Plans would be ceased.
- For transaction from Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions would be rejected.
- In case the AMC/Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, in that case the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.”

9. Where can investors submit filled up applications?

Applications can be submitted at any of the official points of acceptance of transactions, the addresses of which are given at the end of this SID and updated list is available on the website of the Fund and the registrar. Investors can also submit their applications at the Registrar’s office at Computer Age Management Services Limited, Ground Floor, Rayala Towers - I, 158, Anna Salai, Chennai - 600 002.

Stock brokers registered with recognized stock exchange and empanelled with the AMC shall also be considered as ‘official point of Acceptance of Transaction’.

10. How to Apply?

Please refer to the SAI and application form for details and instructions.

11. Dematerialization

Investors subscribing for the Units (other than by way of switch- in) in any of the Scheme of the Fund may opt to hold Units in dematerialized mode by filling and providing details of their demat account in the specified application form. Units shall be allotted in account statement form by default, unless the investors intimate their intention of holding Units in demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the Scheme and in terms of guidelines/procedural requirements as laid by the depositories (NSDL/CDSL) from time to time.

Currently, the option to hold Units in demat form shall not be available to investors subscribing for Units under the daily/weekly dividend options under various Scheme.

Investors intending to hold the Units in Demat form are required to have a beneficiary account with the Depository Participant (DP) registered with NSDL/CDSL and will be required to indicate in the

specified application form, the DP's name, DP ID number and the beneficiary account number of the Unit holder with the DP. In case the Demat account details are not provided or the details are incomplete or the details do not match with the records as per Depository (ies), Units will be allotted in account statement form. The sequence of names/pattern of holding as mentioned in the application form must be same as that in the demat account. Units shall be credited to the investors' demat account only after the funds are credited into the Mutual Fund's Scheme account to the satisfaction of the AMC. Units shall however, be allotted based on the applicable NAV as per the Scheme Information Document (SID) of the relevant Scheme.

In case of credit of Units to depository account, applicants' details like the mode of holding, bank account, correspondence address, payment bank, nomination etc. will be considered as appearing in the depository account for various purposes. For any subsequent change in static information like address, bank details, nomination etc. investors should approach their respective depository.

If the demat account details do not match with applicants' name and order, units will be allotted in account statement form. Bank details in such cases shall be captured from the payment instrument provided by the investor. No further transactions shall be permitted in such folio till the KYC related documents or a valid depository account details are provided.

In case, the Unit holder desires to hold the Units in a Dematerialized/ Rematerialized form at a later date, the request for conversion of units held in non-demat/ account statement form into Demat (electronic) form or vice-versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants. Rematerialization of Units will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time.

Units held in demat form will be transferable subject to the provisions laid under the respective Scheme/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

12. Allotment

Full allotment will be made to all valid applications received. Allotment to NRIs/FPIs will be subject to RBI approval, if required. Subject to the SEBI (MF) Regulations, the AMC/ Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in their sole discretion. All allotments will be provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied about receipt of clear funds. Any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. In case of cheque returns, the Mutual Fund will send intimation to the investor by normal post/email within 15 days of the cheque return. The Mutual Fund will not be responsible for any loss or damage to the applicant on account of any delay in informing him/her/it about the return of the cheque, where such delay is caused by the clearing mechanisms of banks and clearing houses involved in realization of cheques.

It is mandatory for NRIs to attach a copy of the payment cheque/ FIRC / Debit Certificate to ascertain the repatriation status of the amount invested. NRI applicants should also clearly tick on account type as NRE or NRO or FCNR to determine the repatriation status of the investment amount. The AMC and the Registrar may ascertain the repatriation status purely based on the details provided in the application form under Investment and Payment details and will not be liable for any incorrect information provided by the applicants. Applicants will have to coordinate with their authorized dealers and banks to repatriate the investment amount as and when needed.

All applications and/or refunds that are rejected for any reason whatsoever will be returned by normal post within 15 days to the address as mentioned by the applicant.

The Mutual Fund reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by him/her/it for purchase of Units.

For investors who have given demat account details, the Units will be credited to the investor's demat account after due verification and confirmation from NSDL/CDSL of the demat account details and

only after the funds are credited into the Mutual Fund's Scheme account to the satisfaction of the AMC.

Allotment confirmation specifying the number of Units allotted shall be sent to the Unit holders at their registered e-mail address and/or mobile number by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request.

13. Account Statements

Under Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996, the AMC/ RTA is required to send consolidated account statement for each calendar month to all the investors in whose folio transaction has taken place during the month. Further, SEBI vide its circular ref. no. CIR/MRD/DP/31/2014 dated November 12, 2014, in order to enable a single consolidated view of all the investments of an investor in Mutual Fund and securities held in demat form with Depositories, has required Depositories to generate and dispatch a single consolidated account statement for investors having mutual fund investments and holding demat accounts.

In view of the said requirements the account statements for transactions in units of the Fund by investors will be dispatched to investors in following manner:

I. Investors who do not hold Demat Account

- Consolidated account statement[^], based on PAN of the holders, shall be sent by AMC/ RTA to investors not holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.
- Consolidated account statement shall be sent by AMC/RTA every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios there have been no transactions during that period.
[^]Consolidated account statement sent by AMC/RTA is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and holding at the end of the month.

II. Investors who hold Demat Account

- Consolidated account statement^{^^}, based on PAN of the holders, shall be sent by Depositories to investors holding demat account, for each calendar month within 10th day of the succeeding month to the investors in whose folios transactions have taken place during that month.
- Consolidated account statement shall be sent by Depositories every half yearly (September/ March), on or before 10th day of succeeding month, detailing holding at the end of the six month, to all such investors in whose folios and demat accounts there have been no transactions during that period.
- In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the depository shall send account statement in terms of regulations applicable to the depositories.
^{^^}Consolidated account statement sent by Depositories is a statement containing details relating to all financial transactions made by an investor across all mutual funds viz. purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan, bonus etc. (including transaction charges paid to the distributor) and transaction in dematerialised securities across demat accounts of the investors and holding at the end of the month.

Following provisions shall be applicable to CAS sent through AMC/ RTA and CAS sent through depositories:

- a. Investors are requested to note that for folios which are not included in the CAS, AMC shall henceforth issue monthly account statement to the unit holders, pursuant to any financial transaction done in such folios; the monthly statement will be sent on or before tenth day of succeeding month. Such statements shall be sent in physical form if no email id is provided in the folio.
- b. The statement sent within the time frame mentioned above is provisional and is subject to realisation of payment instrument and/or verification of documents, including the application form, by the RTA/AMC.
- c. In the event the folio/demat account has more than one registered holder, the first named Unit holder/Account holder shall receive the CAS (AMC/RTA or Depository). For the purpose of CAS (AMC/RTA or Depository), common investors across mutual funds/depositories shall be identified on the basis of PAN. Consolidation shall be based on the common sequence/ orders of investors in various folios/demat accounts across mutual funds / demat accounts across depository participants.
- d. Investors whose folio(s)/demat account(s) are not updated with PAN shall not receive CAS. Investors are therefore requested to ensure that their folio(s)/demat account(s) are updated with PAN. For folios not included in the CAS (due to non-availability of PAN), the AMC shall issue monthly account statement to such Unit holder(s), for any financial transaction undertaken during the month on or before 10th of succeeding month by mail or email.

For folios not eligible to receive CAS (due to non-availability of PAN), the AMC shall issue an account statement detailing holding across all schemes at the end of every six months (i.e. September/March), on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period shall be sent by mail/e-mail.

- e. For Unit Holders who have provided an e-mail address in KYC records, the CAS will be sent by e-mail.
- f. The Unit Holder may request for a physical account statement by writing to/calling the AMC/RTA. In case of a specific request received from the unit holders, the AMC/RTA shall provide the account statement to the unit holders within 5 business days from the receipt of such request.
- g. Account Statements shall not be construed as proof of title and are only computer printed statements indicating the details of transactions under the Scheme during the current financial year and giving the closing balance of Units for the information of the Unit Holder.
- h. Non-transferable Unit Certificates will be sent, if an applicant so desires, within 5 Business Days of the receipt of a request for the certificate. Unit Certificates will not be issued for any fractional Units entitlement.
- i. Units held, either in the form of Account Statement or Unit Certificates, are non-transferable. The Trustee reserves the right to make the Units transferable at a later date subject to SEBI (MF) Regulations issued from time to time.

14. Special facilities available

For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions available on www.dspim.com.

(i) Systematic Investment Plan (SIP)

Investors can benefit by investing specific Rupee amounts periodically, for a continuous period through SIP. SIP allows investors to invest a fixed amount of Rupees on specific dates every month or quarter by purchasing Units of a Scheme at the Purchase Price prevailing at such time. Investors can enroll themselves for SIP in the Scheme by ticking the appropriate box in the application form and filling up the relevant SIP form.

Units will be allotted at the applicable NAV as on the SIP Date opted for by the investor. Where such SIP Date is not a Business Day, Units will be allotted at the applicable NAV of the immediately succeeding Business Day.

The AMC may change the terms and conditions for SIP from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

SIP TOP-UP facility

SIP Top-Up facility provides flexibility to the investors to increase the SIP installment over the tenure of the SIP. SIP Top-Up facility will be available under Scheme offering SIP facility. SIP Top-Up frequency in case of investors availing Monthly SIP facility will be half yearly and yearly. SIP Top-Up frequency in case of investors availing Quarterly SIP facility will be yearly. In case the SIP Top-Up frequency is not indicated under Monthly SIP, it will be considered as yearly interval.

The AMC may change the terms and conditions for SIP TOP- UP facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

SIP Pause Facility;

Under the SIP Pause Facility ('Facility'), the investor can stop the running SIP for certain period and Restart the SIP again (at a folio level) by filling up a designated Change Request Form.

The detailed terms and conditions for availing the Facility are as follows:

- a. Investors who wish to Pause their SIP instalments debit for a certain period can fill in the "SIP Pause" section. Separate form should be filled for each SIP registration.
- b. SIP Pause can be for a minimum period of 1 month to a maximum period of 6 months.
- c. SIP Pause request should be submitted 15 days before the next SIP instalment date.
- d. The SIP instalment debit will re-start in the month/quarter following the SIP Pause end month.
- e. SIP pause applications are liable to be rejected in case the details are not proper and clear or in case of incomplete details, non-clarity or ambiguity.
- f. If the Pause period is coinciding with the Top-Up facility, the SIP instalment amount post completion of Pause period would be inclusive of Top-Up amounts falling during that Top-Up cycle;.
- g. It is possible that the investors' Bank does not stop the SIP debits on the instalment date or delays the processing of the SIP Pause instruction from DSP Investment Managers Private Limited ('AMC') or its agents, if the investor has given a separate standing instruction to the Bank to debit the account on the specified date. The investor will not hold the Fund/AMC/RTA responsible in whatsoever manner in such cases.
- h. DSP Investment Managers Private Limited ('AMC') or the Fund or the Registrar and other service providers shall not be responsible and liable for any damages or compensation for any loss, damage, etc. incurred by the investor due to reasons which are caused by circumstances not in the ordinary course of business and beyond the control of the Fund.

All other terms and conditions as applicable to SIP facility will be applicable to SIP Pause facility.

The Trustee reserves the right to change the terms and conditions of this facility at a later date. The Trustee also reserves the right to withdraw the SIP Pause facility.

(ii) Systematic Withdrawal plan (SWP)

A Unit Holder may, through SWP, receive regular payments by way of withdrawals from a Scheme (in the said folio) on a weekly, monthly, quarterly, half yearly or yearly basis with specific SWP dates. A Unit holder may avail of SWP by ticking the appropriate box in the application form and filling up the

SWP form, specifying therein the 'SWP Date' and period. To start an SWP, the unit holder should submit the SWP form at least seven days prior to the first desired SWP date. To discontinue the SWP, the unit holder should provide at least 30 days written notice to the Registrar at its office in Chennai. A Unit Holder who opts for an SWP has the choice of withdrawing (i) a fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Scheme from which the withdrawal is sought.

If the Units available are less than required withdrawal amount, then such Units will be redeemed and SWP facility registered in such scheme will be discontinued. Similarly, if there are no units in the Scheme to redeem or withdraw, the SWP facility registered in such Scheme will be discontinued.

In case the SWP Date happens to be a Non-Business Day, the transaction will be processed on the immediately succeeding Business Day. On the other hand, the Mutual Fund may terminate the SWP, if all the Units concerned are liquidated or withdrawn from the account or pledged or upon the Mutual Fund's receipt of notification of death or incapacity of the Unit Holder. In addition to the above, the Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio) if the value of the balance Units in the Scheme (in a particular folio) falls below Rs. 500/- in case of any Plan and at least 6 months have elapsed since his/her/its first investment in the relevant Plan. The Investment Manager may change the rules relating to this facility from time to time. All terms and conditions for SWP, including Exit Load, if any, prevailing in the date of SWP enrolment/registration by the fund shall be levied in the Scheme.

The AMC may change the terms and conditions for SWP facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

(iii) Systematic Transfer Plan (STP)

A Unit Holder may transfer, through STP, part of his/her/its investment in the Scheme (in the said folio) to another Scheme on a weekly (on any week day i.e Monday to Friday), monthly, quarterly, half yearly and yearly basis with specific STP dates. The transfer will be effected by way of a switch, i.e. redemption of Units from one Scheme and investment of the proceeds thereof, in the other scheme, at the then prevailing terms of both schemes. Therefore, all provisions pertaining to Inter-Scheme Switching will apply to an STP (**Please refer to "Switching" for provisions on switching**). Also, all provisions pertaining to Entry and Exit Load in an STP transaction will be same as applicable for purchase or redemption of investment made through SIP. All transactions by way of STP shall, however, be subject to the terms (other than minimum application amount) of the target Scheme.

All terms and conditions for STP, prevailing on the date of STP enrolment/registration by the fund shall be levied in the Scheme.

A Unit Holder who opts for an STP has the choice of switching (i) A fixed amount or (ii) an amount equal to the periodic appreciation on his/her/its investment in the Scheme from which the transfer is sought.

The AMC may change the terms and conditions for SWP facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

Daily STP facility

Under Daily STP, the Unit Holder can switch a fixed amount from any one Scheme (Source Scheme) to any other Scheme (Target Scheme) on a daily basis subject to exit load as applicable. The minimum amount of transfer under Daily STP shall be Rs. 500 and in multiples of Re. 1 thereof. The minimum period for Daily STP shall be 6 days and maximum for any period subject to the end period being year 2099.. STP installment shall be processed only when it is a Business day for both source and target Scheme. In case the start date is not mentioned, the Daily STP shall start from the 7th day from the date of submission of valid STP registration form. In case the end date is not mentioned, the STP shall be registered for a period of one year.

For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions available on www.dspim.com

Flex Systematic Transfer Plan ('Flex STP')

Flex STP Facility, is a facility wherein Unit holder(s) of designated open-ended Scheme of the Fund can opt to systematically transfer amount(s), which may vary based on the value of investments already made/transferred under this facility, on the date of transfer at predetermined intervals from designated open-ended Scheme of the Fund [hereinafter referred to as "Transferor Scheme"] to the 'Growth Option' only, of designated open-ended scheme of the Fund [hereinafter referred to as "Transferee Scheme"]. Transferor Scheme means all scheme of the Fund currently having STP facility and Transferee Scheme means growth option of all scheme of the Fund.

All other terms and conditions as applicable to STP facility will be applicable to Flex STP. For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions available on www.dspim.com.

Value Systematic Transfer Plan ('Value STP')

Value STP facility, is a facility wherein Unit holder(s) of designated open-ended scheme of the Fund can opt to systematically transfer amount(s), which may vary based on the value of investments already made/transferred under this facility, on the date of transfer at predetermined intervals from designated open-ended scheme of the Fund [hereinafter referred to as "Transferor Scheme"] to the 'Growth Option' only of designated open-ended Scheme of the Fund [hereinafter referred to as "Transferee Scheme"], including a feature of 'Reverse Transfer' from Transferee Scheme into the Transferor Scheme, in order to achieve the Target Market Value on each transfer date in the Transferee Scheme, subject to the terms and conditions of Value STP.

The AMC reserves the right to modify the above terms and conditions of Flex STP and Value STP at any time without prior notice to the unitholders and such amended terms and conditions will thereupon apply to and be binding on the unitholders. The updated terms and conditions of Flex STP and Value STP will be available on our website www.dspim.com.

Note:

- (i) SIP/SWP/STP facility is available only in the Regular Plan of the Scheme.
- (ii) SWP and STP facilities are available/applicable to the investors in each plan of the Scheme.
- (iii) STP/SWP facilities are currently not available to investors who wish to transact through the stock exchange mechanism.

(iv) Switching

A switch has the effect of redemption from one scheme/ plan/option and a purchase in the other scheme/plan/ option to which the switching has been done. To effect a switch, a Unit Holder must provide clear instructions. Such instructions may be provided in writing or by completing the transaction slip/form attached to the account statement or telephonically by providing PIN number. The switch request can be made for any amount of Rs. 500/- or more or all units where amount is below Rs. 500. A Unit Holder may request switch of a specified amount or a specified number of Units only. If the Unit Holder has specified both the amount (in Rs.) and the number of Units, switch-out of units will be carried out based on the number of units specified by the Unit Holder.

All allotments will be provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied that the Mutual Fund has received clear funds. Any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC. Investors may note that switch facility is currently not provided to investors who wish to transact through the stock exchange mechanism or hold units in demat form and will be provided as an when enabled on stock exchange platform. Unit holders are requested to note that application for switch-out for units for which funds are not realized via purchase or switch-in in the Scheme of the Fund shall be liable to be rejected. In other words, switch out of units will be processed only if the funds for such units are realized in the Scheme by a way of payment instructions/transfer or switch-in funding process.

(a) Inter-Scheme Switching

Unit Holders will have the option to switch all or part of their investment in the Scheme, to any other Scheme established by the Mutual Fund, which is available for investment at that time. The switch will be affected by way of redemption of Units from a Scheme and re-investment of the redemption proceeds in the other Scheme selected by the Unit Holder at the prevailing terms of the Scheme to which the switch is taking place.

The price at which the Units will be switched out of the Scheme will be based on the Redemption Price on the Business Day of acceptance of switching request and the net proceeds will be invested in the other Scheme at the prevailing Purchase Price for Units in that/those Scheme. Please see the clause on “Ongoing price for redemption (sale)/switch outs (to other Scheme/plans of the Mutual Fund)/intra- Plan switching by investors (Redemption Price)”.

(b) Inter-Plan Switching

Unit Holders will have the option to switch all or part of their investment(s) from one plan of a Scheme to the other plan of that Scheme. The switch will be effected by way of a redemption of Units of the relevant plan of a Scheme as per terms and conditions of redemption and re-investment of the redemption proceeds in the other plan of the Scheme selected by the Unit Holder on the prevailing terms of that Plan as a purchase as per purchase terms and conditions of purchase.

(c) Switch of units from Regular Plan to Direct Plan within the same Scheme of the Fund:

No exit load shall be levied in case of switch of investment from Regular Plan to Direct Plan and vice versa.

Such Switch may entail tax consequences. Investors/Unit Holder(s) should consult their professional tax advisor before initiating such requests.

(d) Inter-Option Switching

Unit Holders have the option to switch all or part of their investments from one Option of a Scheme/Plan to the other Option of the same Scheme/Plan.

The switch will be affected by way of redemption of Units of the relevant Option and reinvestment of the redemption proceeds in the other Option selected by the Unit Holder on the prevailing terms of that Scheme/Plan. The price at which the Units will be switched out will be at the Applicable NAV on the Business Day of acceptance of switching request and the net proceeds will be invested in the other Option at the Applicable NAV of that Option.

The AMC may change the terms and conditions for switching facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

(v) Personal Identification Number (PIN)

For the convenience of investors/Unit Holders, the Fund provides the facility of transacting in various electronic modes like through telephone and internet. The Fund may start facility of transacting through any other electronic mode as may be suitable and available in due course of time. To use these facilities, a Unit Holder needs to have a secured PIN.

For PIN related terms and conditions, investors are requested to refer the PIN Form available at the Official Point of Acceptance of AMC/ CAMS, Registrar & Transfer Agent of the Fund and also available on www.dspim.com.

Investors are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for eligible as well as prospective investors at anytime in future.

(vi) Pledge of Units for Loans

Units can be pledged by the Unit Holders as security for raising loans, subject to any rules/restrictions that the Trustee may prescribe from time to time.

For Units held in demat form, the rules of the respective DP will be applicable for pledge of the Units. Units held in demat form can be pledged by completing the requisite forms/formalities as may be required by the Depository. The pledge gets created in favour of the pledgee only when the pledgee's DP confirms the creation of pledge in the system.

In case of Units held in physical form, the Registrar will note and record such pledge. A standard form for this purpose is available at any of the official points of acceptance of transactions and on www.dspim.com.

(vii) DTP

Unit holders under the Regular Plan & Direct Plan (wherever applicable) and Dividend Options(s) (other than Daily Dividend Reinvest sub-option) of all the open ended Scheme of the Mutual Fund can opt to transfer their dividend to any other option under the Regular Plan & Direct Plan (wherever applicable) (other than Daily Dividend Reinvest sub-option) of all the open-ended Scheme of the Mutual Fund by availing the facility of Dividend Transfer Plan (DTP).

Under DTP, dividend as & when declared (as reduced by the amount of applicable statutory levy) in the transferor Scheme (subject to minimum of Rs.500/-) will be automatically invested without any exit load into the transferee Scheme, as opted by the Unit holder. Such transfer will be treated as fresh subscription in the transferee Scheme and invested at the Applicable NAV on the Business Day immediately following the record date, subject to terms and conditions applicable to the transferee Scheme.

Investors are requested to note that the AMC may change the terms and conditions for SWP facility from time to time, due to changing market and operational conditions. Investors are advised to check the latest terms and conditions from any of the offices of the AMC, before investing same is available on www.dspim.com.

(viii) My Target Value Savings Account Facility

My Target Value Savings Account is a unique facility being offered by the Fund whereby investors can define a specific Target Value and invest in any of the existing Scheme of the Mutual Fund either by way of SIP or by way of lump sum investment, in a unique account viz. "My Target Value Savings Account" created for the purpose.

For complete details of the Scheme/plan/option, terms and conditions of this Facility, Investors are requested to refer Key Information Memorandum ('KIM') of My Target Value Savings Account available at the Official Point of Acceptance of AMC of the Fund and also available on www.dspim.com.

Investors are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for eligible as well as prospective investors at anytime in future.

(ix) OTM - One Time Mandate ('Facility')

This Facility enables the Unit Holder/s of DSP Mutual Fund ('Fund') to transact with in a simple, convenient and paperless manner by submitting OTM - One Time Mandate registration form to the Fund which authorizes his/her bank to debit their account up to a certain specified limit per day, as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter.

This Facility enables Unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in any Scheme of the Fund by sending instructions through Transaction forms, online facility, Short Messaging Service ('SMS')/call from their registered mobile phone number

on a dedicated number specified by the AMC. This Facility is only available to Unit holder(s) of the Fund who have been assigned a folio number by the AMC.

W.e.f. December 16, 2013, Unit Holder/s who were registered under m-Invest facility will automatically get registered under this Facility. Unit Holders are requested to note that the m-Invest facility is discontinued by AMC effective from December 16, 2013 onwards.

AMC has introduced the SMS based transaction facility for investors who have not registered under the One Time Mandate ('OTM') facility. Currently transactions such as switches, redemptions and systematic transactions (except lumpsum purchase, new SIP registration) are allowed through SMS. This facility shall be available for those investors who transact through their distributors using the web enabled IFAXpress platform of AMC.

Unit Holder(s) are requested to note that the AMC reserves the right to amend the terms and conditions, or modify, or discontinue the Facility for existing as well as prospective investors at anytime in future.

For general terms and conditions and more information, Unit holder(s) are requested to read Terms and Conditions, OTM - One Time Mandate registration form available at the Official Point of Acceptance of AMC, CAMS (Registrar & Transfer Agent of the Fund) and also available on www.dspim.com.

15. Listing and transfer of units

The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect.

The Mutual Fund will offer and redeem the Units on a continuous basis during the Continuous Offer Period.

Units of the Scheme held in account statement (non-demat) form shall be non-transferable. However, if a person becomes a holder of the Units consequent to operation of law or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transfers taking place consequent to death, insolvency etc., and the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence. Further, for units of the Scheme held in electronic (demat) form, the Units will be transferable (in terms of SEBI circular no. CIR/IMD/DF/10/2010 dated August 18, 2010) and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

16. Transactions Through Channel Distributors

Investors may enter into an agreement with certain distributors (with whom AMC also has a tie up) referred to as "Channel Distributors" who provide the facility to investors to transact in units of mutual funds through various modes such as their website/ other electronic means or through Power of Attorney in favour of the Channel Distributor, as the case may be.

Under such arrangement, the Channel Distributors will aggregate the details of transactions (viz. subscriptions/ redemptions/switches) of their various investors and forward the same electronically to the AMC / RTA for processing on daily basis as per the cut-off timings applicable to the relevant Scheme. The Channel Distributor is required to send copy of investors' KYC and agreement entered into between the investor & distributor to the RTA (one time for central record keeping) as also the transaction documents / proof of transaction authorization as the case may be, to the AMC / RTA as per agreed timelines.

Normally, the subscription proceeds, when invested through this mode, are by way of direct credits to the specified bank account of DSP Mutual Fund. The redemption proceeds (subject to deduction of tax at source, if any) and dividend payouts, if any, are paid by the AMC to the investor directly

through direct credit in the bank account of the investor specified by the distributor or through issuance of payment instrument, as applicable

In case KYC and other necessary documents are not furnished within the stipulated timeline, the transaction request shall be liable to be rejected or the folio will be locked for future subscriptions/ switches. The Mutual Fund, the AMC, the Trustee, along with their directors, employees and representatives shall not be liable for any errors, damages or losses arising out of or in connection with the transactions undertaken by investors or as provided by the distributors through the above mode.

It may be noted that investors investing through this mode may also approach the AMC / ISC directly with their transaction requests (financial / non-financial) or avail of the online transaction facilities offered by the AMC.

17. Subscription Of Units Through Electronic Mode

Subject to the investor fulfilling certain terms and conditions as stipulated by AMC from time to time, the AMC, Mutual Fund, Registrar or any other agent or representative of the AMC, Mutual Fund, the Registrar (“Recipient”) may accept transactions through any electronic mode (fax/web/telephonic/mobile/SMS texts/electronic transactions) (“Electronic Transactions”). The acceptance of Electronic Transactions will be solely at the risk of the investor and the Recipient shall not in any way be liable or responsible for any loss, damage caused to the investor directly or indirectly, as a result of the investor sending or purporting to send such transactions including where such transaction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.

The investor acknowledges that Electronic Transaction is not a secure means of giving instructions / transactions requests and that the investor is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The investor’s request to the Recipient to act on Electronic Transaction is for the investor’s convenience and the Recipient is not obliged or bound to act on the same. The investor authorizes the recipient to accept and act on any Electronic Transaction which the recipient believes in good faith to be given by the investor and the recipient may at its discretion treat any such transaction as if the same was given to the recipient under the investor’s original signature.

In case there is any difference between the particulars mentioned in the fax/ web/ electronic transmission received as against the original document which may be received thereafter, the Recipient shall not be liable for any consequences arising therefrom.

The investor agrees that the recipient may adopt additional security measures including signature verification, telephone call backs or a combination of the same, which may be recorded and the investor consents to such recording and agrees to co-operate with the recipient to enable confirmation of such transaction requests. In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending/ discontinuing such facilities from time to time) acting on any Electronic Transaction request received / purporting to be received from the investor, the investor agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on Electronic Transaction requests including relying upon such transaction requests purporting to come from the investor even though it may not come from the Investor. The AMC reserves the right to modify the terms and conditions or to discontinue the facility at any point of time.

18. Redemption

Units can be redeemed (sold back to the Mutual Fund) at the relevant Redemption Price. The redemption requests can be made on the pre- printed forms (transaction slip/common transaction

form) or by using the form at the bottom of the account statement. The redemption request can be submitted at any of the Official Points of Acceptance of transaction, the details of Official Points of Acceptance are mentioned at the end of this SID. As all allotments are provisional, subject to realisation of payment instrument and subject to the AMC having been reasonably satisfied that the Mutual Fund has received clear funds, any redemption or switch out transaction in the interim is liable to be rejected at the sole discretion of the AMC.

The Redemption request can be made for any amount of Rs. 500/- or more or all units where amount is below Rs. 500/-. A Unit Holder may request redemption of a specified amount or a specified number of Units only. If the redemption request is made for a specified amount and the number of Units is also specified by the Unit Holder, the number of Units specified will be considered for deciding the redemption amount. Unit Holders may also request for redemption of their entire holding and close the account by indicating the same at an appropriate place in the transaction slip/common transaction form.

It may, however, be noted that in the event of death of the Unit Holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year or any time thereafter, from the date of allotment of the Units to the deceased Unit Holder.

In case an investor has purchased Units on more than one day (either under the NFO Period or through subsequent purchases) the Units purchased first (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First-In-First-Out basis.

In case the Units are standing in the names of more than one Unit Holder, where mode of holding is specified as Joint redemption requests will have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the Unit Holders will have the power to make redemption requests, without it being necessary for all the Unit Holders to sign. However, in all cases, the proceeds of the redemption will be paid to the first-named holder only.

Redemption or repurchase proceeds shall be dispatched to Unit Holders within 10 Business Days from the date of acceptance of redemption or repurchase. However, under normal circumstances, the Mutual Fund will endeavour to despatch the redemption proceeds within 3 business days, by courier, where such facilities are available.

The Mutual Fund however, reserves the right to despatch the redemption proceeds beyond the above-mentioned number of days. Unit Holders are encouraged and advised to submit their requests for bank mandate/ Multiple Bank Accounts Registration request atleast 10 business days prior to date of redemption / dividend payment, if any. The AMC reserves the right to extend/modify the timelines on a case to case basis.

The redemption payment will be issued in favour of the sole/ first Unit Holder's registered name and bank account number, if provided. Payment via cheque, where issued, will be sent to the address of the sole/first Holder registered with the fund at the time of dispatch entirely at the risk of the unit holder. The redemption cheque/demand draft will be payable at par at all the places where the official points of acceptance of transaction are located. Bank charges for collection of redemption proceeds will be borne by the Unit Holder. With a view to safeguarding their interest, it is mandatory that Unit Holders indicate their Bank Account No., name of the bank and branch in the application for purchasing Units of the Scheme. A fresh account statement will also be sent/mailed to redeeming investors, indicating the new balance to the credit in the account, along with the redemption cheque.

The Mutual Fund may, at its discretion and without any notice, redeem the balance Units in the Scheme (in a particular folio) if the value of the balance Units in the Scheme (in a particular folio) falls below Rs. 500/- and at least 6 months have elapsed since his/her/its first investment in the relevant Plan. The Investment Manager may change the rules relating to this facility from time to time.

Unit holders are requested to note that application for redemption or switch out for units for which funds are not realized via purchase or switch-in in the Scheme of the Fund shall be liable to be

rejected. In other words, redemption of units will be processed only if the funds for such units are realized in the Scheme by a way of payment instructions/transfer or switch-in funding process.

The proceeds towards redemptions and dividends will be despatched by a reasonable mode of despatch like courier, post, UCP, etc. in case of cheque/demand draft or directly credited to the bank account (as per the details mentioned by the investor), entirely and solely at the risk of the investor. The Mutual Fund will endeavour to remit redemption proceeds via electronic means, as made available by RBI. Where such electronic means are not available or feasible under any circumstances, the Mutual Fund will remit the redemption proceeds by way of cheques. The investor will not hold the Mutual Fund or the AMC or the Registrar responsible for any non-receipt or delay of receipt of redemption & dividend proceeds due to any negligence or deficiency in service by the courier company, postal authorities or the bank executing direct credits, or due to incorrect bank account details provided by the investor.

Redemption by NRIs and FPIs

Credit balances in the account of an NRI/FPI investor may be redeemed by such investors in accordance with the procedure described above and subject to the procedures laid down by RBI, if any. Such redemption proceeds will be paid by means of a Rupee cheque payable to the NRI's/FPIs.

Impact of STT on Redemption

STT is levied on the sale of a unit of an equity-oriented Scheme to the Mutual Fund. The responsibility for the collection of STT and payment to the credit of the Government is with the Mutual Fund. The rates of STT are as follows:

Nature of transaction	Rate of STT
Sale of units of an equity-oriented fund to the Mutual Fund	0.001%*

* W.e.f. June 1, 2013

$STT = 0.001\% \times \text{Applicable NAV} \times \text{Number of Units}$

Illustration:

(a) If an investor redeems 1,000 Units of a Scheme at a Redemption Price of Rs. 12.000 per Unit, the STT will be $0.001\% \times 1,000 \times 12$ or Rs. 0.12/-. The net redemption proceeds will amount to Rs. 11,999.88/- (Rs. 12,000 ₹ Rs. 0.12).

(b) If an investor request for redemption of Rs. 12,000/- worth of Units at a Redemption Price of Rs. 12.000/- per Unit, the STT will be $0.001\% \times 12,000$ or Rs. 0.12/-. To recover the STT, redemption will be done for an amount of Rs. 12,000.12/- (Rs.12,000 + Rs. 0.12) i.e. 1000.01 Units (12,030/12).

Effect of Redemption

On redemption, the unit capital and reserves will stand reduced by an amount equivalent to the product of the number of Units redeemed and the Redemption Price as on the date of redemption. Units once redeemed will be extinguished and will not be re-issued.

Fractional Units

Since a request for purchase is generally made in Rupee amounts and not in terms of number of Units of the Scheme, a Unit Holder may be left with fractional Units. Fractional Units will be computed and accounted for up to three decimal places. However, fractional Units will, in no way, affect the Unit Holder's ability to redeem the Units, either in part or in full, standing to his/her/its credit.

Redemption by investors transacting through the Stock Exchange mechanism

Investors who wish to transact through the stock exchange shall place orders for redemptions as currently practiced for secondary market activities. Investors must submit the Delivery Instruction Slip to their Depository Participant on the same day of submission of redemption request, within such stipulated time as may be specified by NSE/BSE, failing which the transaction will be rejected. Investors shall seek redemption requests in terms of number of Units only and not in Rupee amounts. Investor shall receive redemption amount through Broker/ Clearing Member's account. The

AMC/Mutual Fund shall pay proceeds to the Broker/ Clearing Member and Broker/ Clearing Member in turn to the respective investor's account. Refer "Trading in Units through Stock Exchange mechanism", for detailed provisions.

Redemption by investors who hold Units in dematerialized form

Redemption request for Units held in demat mode shall not be accepted at the offices of the Mutual Fund/AMC/Registrar. Unit holders shall submit such request only through their respective Depository Participant or through stock exchange platforms.

19. Delay in payment of redemption / repurchase proceeds

As per SEBI (MF) Regulations, the Mutual Fund shall despatch the redemption proceeds within 10 Business Days from the date of acceptance of redemption request. In the event of delay/failure to despatch the redemption/repurchase proceeds within the aforesaid 10 Business Days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum).

20. Dividend Warrants

Dividend warrants shall be dispatched to the Unit Holders within 30 days of the date of declaration of the dividend. In the event of delay/failure to despatch the dividend warrants within the aforesaid 30 days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum).

21. Minimum balance to be maintained and consequences of non maintenance

The value of the balance units in the Scheme (in a particular folio) to be maintained by the Unit holders shall be Rs. 500 /-.

Further, if an investor makes a redemption request few days after purchase of Units, till clearance of funds is identified, the Mutual Fund shall have the right to reject the redemption request until such time as the Mutual Fund ensures that the amount remitted by the investor (for purchase of Units) is realized and that the proceeds have been credited to the Scheme's Account. However, this is only applicable if the value of redemption is such that some or all of the freshly purchased Units may have to be redeemed to effect the full redemption.

22. Suspension/Restriction on Redemption of Units of the Scheme

Subject to the approval of the Boards of the AMC and of the Trustee and subject also to necessary communication of the same to SEBI, the redemption of / switch-out of Units of Scheme(s) of the Fund, may be temporarily suspended/ restricted. In accordance with SEBI circular ref. no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 and subject to prevailing regulations, restriction on/suspension of redemptions / switch-out of Units of the Scheme(s) of the Fund, may be imposed when there are circumstances leading to systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

- a) Liquidity issues: when market at large becomes illiquid affecting almost all securities rather than any issuer specific security;
- b) Market failures, exchange closures: when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;
- c) Operational issues: when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

Restriction on / suspension of redemption of Units of the Scheme(s) may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied:

- i. No redemption / switch-out requests upto Rs. 2 lakhs shall be subject to such restriction.
- ii. Where redemption / switch-out requests are above Rs. 2 lakhs, the AMC shall redeem the first Rs. 2 lakhs without such restriction and remaining part over and above Rs. 2 lakhs shall be subject to such restriction.

Also refer to the section 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.

23. Restrictions, if any, on the right to freely retain or dispose off Units being offered

The Trustee may, in the general interest of Unit Holders, keeping in view the unforeseen circumstances/unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue under the Scheme (or such higher percentage as the Trustees may determine).

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Business Day or Non Business Day (if and as applicable) on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Business Day, redemptions will be made on pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Business Day(s).

Also, in the event of an order being received from any regulatory authority/body, directing attachment of the Units of any investor, redemption of Units will be restricted in due compliance of such order.

24. Process for change of address

The self attested copies of the following documents shall be submitted along with duly filled in "Change of address form/KYC updation form (with PAN card copy)":

- (i) Proof of new address ('POA'); and
- (ii) Proof of identity ("POI"): Only PAN card copy shall be considered or other proof of identity for PAN exempt cases.

AMC reserves the right to collect proof of old address on a case to case basis while effecting the change of address.

The self attested copies of above stated documents shall be submitted along with original for verification at any of the AMC's branches /Investor Service Center's of CAMS. In case, the original of any documents are not produced for verification, then the copies should be properly attested/verified by entities authorized for attesting / verification of the documents. List of admissible documents for POA & POI mentioned in SEBI Circular MIRSD/SE/Cir -21 / 2011 dated October 05, 2011 shall be considered.

25. Bank Mandate

It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per requirements laid down by SEBI and any other requirements stated in the Application Form without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number.

Investor(s) or /Unit Holder(s) are requested to note that any one of the following documents shall be submitted by the investor(s) or /Unit Holder(s), in case the cheque provided along with fresh subscription/new folio creation does not belong to the bank mandate specified in the application form:

1. Original cancelled cheque having the First Holder Name printed on the cheque [or]
2. Original bank statement reflecting the First Holder Name, Bank Account Number and Bank Name as specified in the application [or]

3. Photocopy of the bank statement / bank pass book duly attested by the bank manager and bank seal preferably with designation and employee number [or]
4. Photocopy of the bank statement / passbook / cancelled cheque copy duly attested by the AMC/ CAMS branch officials after verification of original bank statement / passbook / cheque shown by the investor or their representative [or]
5. Confirmation by the bank manager with seal, on the bank's letter head with name, designation and employee number confirming the investor details and bank mandate information.

Where such additional documents are not provided for the verification of bank account for redemption or dividend payment, the AMC reserves the right to capture the bank account used towards subscription payment for the purpose of redemption and dividend payments.

A. Multiple Bank Accounts Registration Facility:

In compliance to AMFI Best Practice Guidelines, AMFI circular No. 17/10-11 dated October 22, 2010, the Mutual Fund offers its unitholder facility to register multiple bank accounts for pay-in & payout purposes and designate one of the registered bank account as 'Default Bank Account'. Individuals, HUFs, Sole proprietor firms can register upto five bank accounts and a non- individual investor can register upto ten bank accounts in a folio. This facility can be availed by using a designated 'Bank Accounts Registration Form' available at Investor Service Centers and Registrar and Transfer Agent's offices.

In case of first time investors, the bank account mentioned on the purchase application form, will be treated as default bank account till a separate request to register multiple bank accounts and change the default bank account to any of other registered bank account is submitted by such investor. Registered bank accounts may also be used for verification of pay-ins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription. The default bank account will be used for all dividends and redemptions payouts unless Unit holder(s) specifies one of the existing registered bank account in the redemption request for receiving redemption proceeds. However, in case Unit holder(s) do not specify the default account, the Mutual Fund reserves the right to designate any of the registered bank accounts as default bank account.

New bank accounts can only be registered using the designated "Bank Accounts Registration Form". If Unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with specific redemption/ dividend payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption/dividend proceeds, or the Mutual Fund withhold the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned.

Any request without the necessary documents will be treated invalid and will not be acted upon and any financial transaction, including redemptions, will be carried with the previously registered details only. Valid change of bank mandate requests with supporting documents will be processed within ten days of documents reaching the head office of the Registrar and any financial transaction request received in the interim will be carried based on the previously registered details.

This facility is however not available to investors holding Units in dematerialized mode. For such investors bank account details as registered with their respective depository participant shall be considered for various purposes

B. Change in Bank Account mandate along with Redemption / Dividend proceeds:

Please note the following important points related to payment of redemption/ dividend proceeds:

- (i) Proceeds of any redemption/dividend will be sent only to a bank account that is already registered and validated in the folio at the time of redemption / dividend processing.
- (ii) Unit holder(s) may choose to mention any of the existing registered bank accounts with redemption /dividend payment request for receiving redemption/dividend proceeds. If no registered bank account is mentioned, default bank account will be used.
- (iii) If unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with a specific redemption / dividend payment request (with or without necessary supporting documents) such bank account may not be considered for payment of redemption/

dividend proceeds, or the Mutual Fund may withhold the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned.

Any request without the necessary documents will be treated invalid and will not be acted upon and any financial transaction, including redemptions, will be carried with the previous details only. Valid change of bank mandate requests with supporting documents will be processed within ten days of documents reaching the head office of the Registrar and any financial transaction request received in the interim will be carried based on the previous details.

26. Trading in Units through Stock Exchange Mechanism

The facility of transacting through the stock exchange mechanism enables investors to buy and sell the Units of the Scheme through the stock brokers registered with the BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE, BSE or such other recognized stock exchange in this regard and agreed with the Asset Management Company/ Registrar and Transfer Agent. The investor shall be serviced directly by such stock brokers/ Depository Participant. The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of Units bought under this facility in demat mode. This facility will be offered to investors who wish to hold Units in dematerialized form or in physical mode. Further, the minimum purchase/ redemption amount in the respective plan / option of such notified Scheme of the Fund will be applicable for each transaction. This facility will currently not support transactions done through switches or facilities such as SWP and STP.

In case of non-financial requests/applications such as change of address, change of bank details, etc., investors should approach the respective Depository Participant(s).

Unit holders may have/open a beneficiary account with a Depository Participant of a Depository and choose to hold the Units in dematerialized mode. The Unit holders have the option to dematerialize the Units as per the account statement sent by the Registrar by making an application to the AMC/registrar for this purpose.

Rematerialization of Units can be carried out in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Investors, who wish to get back their securities in physical form, may request their respective Depository Participant for rematerialization of Units in their beneficiary accounts. The Depository Participant will generate a rematerialization request number and the request will be dispatched to the AMC/ Registrar. On acceptance of request from the Depository Participant, the AMC/Registrar will dispatch the account statement to the investor and will also send confirmation to the Depository participant.

Transactions conducted through the Stock Exchange mechanism shall be governed by the SEBI (Mutual Funds) Regulations 1996 and operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.

27. Third Party Payment Avoidance & additional documents/declaration required:

To safeguard the interests of applicant/investors and avoid fraudulent transactions in any other name, the Mutual Fund does not accept Third Party Payments. Please refer SAI for Details

28. Cash Investments in mutual funds

In order to help enhance the reach of mutual fund products amongst small investors, who may not be tax payers and may not have PAN/bank accounts, such as farmers, small traders/businessmen/workers, SEBI has permitted receipt of cash transactions for fresh purchases/ additional purchases to the extent of Rs. 50,000/- per investor, per financial year shall be allowed subject to:

- i. compliance with Prevention of Money Laundering Act, 2002 and Rules framed there under; the SEBI Circular(s) on Anti Money Laundering (AML) and other applicable Anti Money Laundering Rules, Regulations and Guidelines; and
- ii. Sufficient systems and procedures in place.

However, payment towards redemptions, dividend, etc. with respect to aforementioned investments shall be paid only through banking channel.

The Fund/AMC is currently in the process of setting up appropriate systems and procedures for the said purpose. Appropriate notice shall be displayed on its website viz. as well as at the Investor Service Centres, once the facility is made available to the investors.

29. Facility to transact in units of the Scheme through MFU portal & MFUI Points of Services pursuant to appointment of MFUI:

DSP Investment Managers Private Limited (“the AMC”) has entered into an Agreement with MFUI, for usage of MF Utility (“MFU”) - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregation portal for transacting in multiple Scheme of various Mutual Funds with a single form and a single payment instrument.

Investors can execute financial and non-financial transactions pertaining to Scheme of DSP Mutual Fund (“the Fund”) electronically on the MFU portal i.e. www.mfuonline.com as and when such a facility is made available by MFUI. The MFU portal i.e. www.mfuonline.com will be considered as Official Point of Acceptance for such transactions.

The Points of Service (“POS”) of MFUI with effect from the respective dates as published on MFUI website i.e. www.mfuindia.com against the POS locations will be considered as Official Point of Acceptance/ Investor Services Centre where application for financial transactions in Scheme of the Fund will be accepted on an ongoing basis. Further, investors can also submit their non-financial transaction requests at the POS.

The salient features of the facility to transact in units of the Scheme through MFU are given below:

1. Common Account Number (“CAN”): Investors are required to submit duly filled in CAN Registration Form (“CRF”) and prescribed documents at the MFUI POS to obtain CAN. The CRF can be downloaded from MFUI website i.e. www.mfuindia.com or can be obtained from MFUI POS.
2. CAN is a single reference number for all investments in the Mutual Fund industry, for transacting in multiple Scheme of various Mutual Funds through MFU and to map existing investments, if any.

MFU will map the existing folios of investors in various Scheme of Mutual Funds to the CAN to enable transacting across Scheme of Mutual Funds through MFU. The AMC and / or its Registrar and Transfer Agent (RTA) shall provide necessary details to MFUI as may be needed for providing the required services to investors/ distributors through MFU.

CAN registered investors can transact in physical mode through MFUI POS by submitting relevant Common Transaction Form prescribed by MFUI.

3. CAN registered investors can transact through electronic mode through MFU portal i.e. www.mfuonline.com as and when such a facility is made available to them by MFUI. The time of transaction submission done through MFU portal i.e. www.mfuonline.com and the successful receipt of the same in the servers of MFUI would be the time-stamp for the transaction.
4. Investors not registered with MFUI can also submit their financial & non-financial transactions request at MFUI POS by giving reference of their existing folio number allotted by the Fund.
5. The transactions on the MFU portal shall be subject to the terms & conditions as may be stipulated by MFUI / Mutual Fund / the AMC from time to time.
6. All other terms and conditions of offering of the Scheme of the Fund as specified in the Scheme Information Document (“SID”), Key Information Memorandum (“KIM”) and Statement of Additional Information (“SAI”) shall be applicable to transaction through MFUI.

30. KYC Requirements

Investor are requested to take note that it is mandatory to complete the KYC requirements (including updation of Permanent Account Number) for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor. Accordingly, financial transactions (including redemptions, switches and all types of systematic plans) and non-financial requests are liable to be rejected, if the unit holders have not completed the KYC requirements.

Notwithstanding in the above cases, the AMC reserves the right to ask for any requisite documents before processing of financial and non-financial transactions or freeze the folios as appropriate.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent their PAN information along with the folio details for updation in our records.

C. PERIODIC DISCLOSURES

1. Net Asset Value:

The NAVs of the Scheme/plans will be calculated by the Mutual Fund on each Business Day and will be made available by 11 p.m. of the same Business Day.

The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations. The NAV of the Scheme will also be updated on the AMFI website www.amfiindia.com and on www.dspim.com.

In case of delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs of the Scheme are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons for the delay and explaining when the Fund would be able to publish the NAVs.

If the NAVs of the Scheme for a business day (Day T) is not published till 3.00 p.m. on the following business day (T+1) due to any reason, the Investment Manager shall temporary suspend all transactions (subscription/redemption) from T+2 business day onwards, till NAVs of the Scheme for Day T and Day T+1 are published.

Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. Refer relevant disclosures mentioned in the SAI available on AMC website i.e. www.dspim.com.

2. Monthly Portfolio:

The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. www.dspim.com on or before the tenth day of succeeding month. In case of unit holders whose email addresses are registered with the Fund, the AMC shall send monthly portfolio via email within 10 days from the end of each month.

The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.

3. Half-yearly Disclosures: Portfolio

In case of unit holders whose email address are registered with the Fund, the AMC shall send half yearly portfolio via email within 10 days from the end of each half-year. The half yearly portfolio of the Scheme shall also be available in a user-friendly and downloadable spreadsheet format on the AMFI's website www.amfiindia.com and website of AMC viz. www.dspim.com on or before the 10th day of succeeding month.

The advertisement in this reference will be published by the Fund in all India edition of atleast two daily newspapers, one each in English and Hindi.

The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.

4. Half-yearly Financial Results:

The Fund shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on www.dspim.com and the advertisement in this regards will be published by the Fund in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated.

5. Annual Report:

Annual report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC's website www.dspim.com and on the website of AMFI www.amfiindia.com. Annual Report or Abridged Summary will also be sent by way of e-mail to the investor's who have registered their email address with the Fund not later than four months from the date of the closure of the relevant financial year i.e. March 31 each year.

In case of unit holders whose email addresses are not available with the Fund, the AMC shall send physical copies of scheme annual reports or abridged summary to those unitholders who have 'opted-in' to receive physical copies. The opt-in facility to receive physical copy of the scheme-wise annual report or abridged summary thereof shall be provided in the application form for new subscribers.

Unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e-mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide abridged summary of annual report without charging any cost. Physical copies of the report will also be available to the unitholders at the registered offices at all times. For request on physical copy refer relevant disclosures mentioned in the SAI available on AMC website i.e. www.dspim.com

The advertisement in this reference will be published by the Fund in all India edition of atleast two daily newspapers, one each in English and Hindi.

Investors are requested to register their e-mail addresses with Mutual Fund.

6. Associate Transactions

Please refer to SAI.

7. Investor services

Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries / clarifications, may call on 1800-200-4499 (toll free), e-mail: service@dspim.com. Mr. Gaurav Nagori has been appointed as the Investor Relations Officer. He can be contacted at DSP Investment Managers Private Limited Natraj, Office Premises No. 302, 3rd Floor, and M V Road Junction. W. E. Highway, Andheri - East, Mumbai - 400069, Tel.: 022 - 67178000. For any grievances with respect to transactions through stock exchange mechanism, Unit Holders must approach either stock broker or the investor grievances cell of the respective stock exchange. Investors may contact the customer care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and Public Holidays) or send an email to clientservices@mfuindia.com for any service required or for resolution of their grievances for their transactions with MFUI.

8. Dashboard

In accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, the AMC has developed a dashboard on the website wherein the investor can access information relating

to scheme's AUM, investment objective, expense ratios, portfolio details and past performance of each scheme.

9. Performance disclosure:

In accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, the AMC shall disclose the performance of all schemes on the website of AMFI on a daily basis. The disclosure shall include other scheme AUM and previous day NAV.

10. Taxation

(The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorized dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the Schemes.)

Income Tax Rates and Withholding Rates (TDS)

Category of units	Tax Rates* under the Act			TDS Rates under the Act		
	Residents	NRI/PIOs & Other Non-resident other than FPI	FPIs	Residents	NRI/PIOs & Other Non-resident other than FPI	FPIs
Short Term Capital Gains						
Units of a non-equity oriented Scheme	Taxable at normal rates of tax applicable to the assessee	In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee. In respect of non-resident corporates - 40%.	30% (u/s 115AD)	Nil	30%* for non-residents non corporates, 40%* for non-resident corporates (u/s 195)	Nil
Units of an equity oriented Scheme (listed and unlisted)	15% on redemption of Units where STT is payable on redemption (u/s 111A)			Nil	15%*	Nil
Long Term Capital Gain						
Listed units of a non-equity oriented Scheme	20% with indexation, (u/s 112) **	20% with indexation, (u/s 112)**	10% (u/s 115AD) **	Nil	20%* with indexation (u/s 195) **	Nil
Unlisted units of a non-equity oriented Scheme	20% with indexation, (u/s 112) **	10% without indexation and no exchange fluctuation**(u/s 112)	10% (u/s 115AD) **	Nil	10%* without indexation & exchange fluctuation (u/s 112) **	Nil
Units of an equity oriented Scheme***	10% without indexation on redemption of Units where STT is payable on redemption (u/s 112A)			Nil	10%* without indexation & exchange fluctuation	Nil
As per Finance Act 2020, dividend income will be taxed in the hands of the Unit Holder.						

Dividend Income						
Particulars	Tax Rates* under the Act			TDS Rates under the Act		
	Residents	NRI/PIOs & Other Non-resident other than FPI	FPIs	Residents	NRI/PIOs & Other Non-resident other than FPI	FPIs
Dividend income from equity/ non-equity fund	Taxable at normal rates of tax applicable to the assessee	In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee In respect of non-resident corporates -40%	20% (u/s 115AD)	10%	20%*	20%*

*plus surcharge and Health and Education cess&. Surcharge as per the below table

Status of Investor	Income > 50 lakhs and upto 1 crores(in Rs)	Income > 1 cr and upto 2 cr(in Rs)	Income > 2 cr and upto 5 cr(in Rs)	Income > 5 cr and upto 10 cr(in Rs)	Income exceeding 10 cr(in Rs)
Individuals/HUFs/BOIs/AOPs and Artificial juridical persons -Capital gains on Equity Oriented Funds	10%	15%	15%	15%	15%
Individuals/HUFs/BOIs/AOPs and Artificial juridical persons - Capital gains on Non Equity Oriented Funds	10%	15%	25%	37%	37%
Firms, Co-operative societies, Local authorities	-	12%	12%	12%	12%
Domestic Company	-	7%	7%	7%	12%
Foreign Company	-	2%	2%	2%	5%

In case company opts for new regime of the Act then the surcharge would be applicable at the rate of 10% irrespective of the taxable income.

& Health and Education cess at the rate of 4% on income tax and surcharge.

** Capital gains on redemption of units held for a period of more than 36 months from the date of allotment

***Capital gains on redemption of units held for a period of more than 12 months from the date of allotment

Any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIIB (hereafter referred to as deductee), shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:

- (i) at the rate specified in the relevant provision of this Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent.

The aforesaid provision dealing with higher taxation in the absence of furnishing Permanent Account Number shall not apply to a non-resident with effect from 1st June, 2016 on furnishing the following details and documents by such non-resident:

- (i) name, e-mail id, contact number;
- (ii) address in the country or specified territory outside India of which the non-resident is a resident;

(iii) a certificate of his being resident in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

(iv) Tax Identification Number of the non-resident in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the non-resident is identified by the Government of that country or the specified territory of which he claims to be a resident.

In case of investments by NRIs in closed ended funds during NFO, at the time of redemption of units, TDS will be deducted at the applicable rate. However, in respect of those Unit Holders who have acquired the units on the Stock Exchange post listing of units, the Unit Holders would need to provide a certificate from a Chartered Accountant certifying the details of acquisition of units to the Fund within two days of maturity of the Scheme, so as to enable the Fund to deduct TDS at the applicable rates. In the event of such details not being provided, the Fund would deduct TDS on the redemption proceeds at the highest rate of TDS applicable.

For further details on taxation please refer to the clause on Taxation in the SAI.

D. COMPUTATION OF NAV

The NAV of the Units of a Scheme will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date.

NAV of Units under each Scheme may be calculated by either of the following methods shown below:

$$\begin{aligned} \text{NAV (Rs.)} &= \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}} \\ \text{NAV (Rs.)} &= \frac{\text{Capital + Reserves \& Surplus}}{\text{No. of Units outstanding under the Scheme}} \end{aligned}$$

N.B.: The aforesaid provisions pertaining to "Calculation of NAV" shall apply in respect of each individual Scheme and/or plan as the case may be.

The NAV will be calculated as of the close of every Business Day.

NAVs will be rounded off to three decimal places. The valuation of the Schemes' assets and calculation of the Schemes' NAVs shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

Note: In respect of Schemes having Growth and Dividend Options, there will be more than one NAV, one for each Option, after the declaration of the first dividend by that Scheme.

SECTION VII - FEES AND EXPENSES

This section outlines the expenses that will be charged to the Scheme.

A. NFO EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid, marketing and advertising, registrar expenses, printing and stationery, bank charges etc. In case of Scheme where entry load was charged during the NFO, the same was utilized for meeting the initial issue expenses in terms of SEBI circular no. SEBI/IMD/CIR No.1/64057/06 dated April 4, 2006 and any expenditure over and above the entry load collected was borne by the AMC. In case of Scheme where no entry load was charged, entire expenses were borne by AMC.

The information provided under this Section seeks to assist the investor in understanding the expense structure of the Scheme and types of different fees / expenses and their percentage the investor is likely to incur on purchasing and selling the Units of the Scheme.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses incurred for operating the Scheme. These expenses include and are not limited to Investment Management and Advisory Fee charged by the AMC, Registrar's fee, Marketing and selling costs etc., as given in the **Table 2** which summarizes estimated annualized recurring expenses as a % of daily net assets of the Scheme.

Operating & recurring expenses under regulation 52 (6) & 52 (6A):

The Scheme may charge expenses within overall limits as specified in the Regulations except those expenses which are specifically prohibited. The annual total of all charges and expenses of the Scheme shall be subject to the following limits, defined under Regulation 52 of SEBI MF regulations:

Table 1: Limit as prescribed under regulation 52 of SEBI MF regulations for equity oriented scheme:

Slab Rates	As a % of daily net assets as per Regulation 52(6) (c)	Additional TER as per Regulation 52 (6A) (c) ^	Additional TER as per Regulation 52 (6A) (b) ^
on the first Rs.500 crores of the daily net assets	2.25%	0.05%	0.30%
on the next Rs.250 crores of the daily net assets	2.00%	0.05%	0.30%
on the next Rs.1,250 crores of the daily net assets	1.75%	0.05%	0.30%
on the next Rs.3,000 crores of the daily net assets	1.60%	0.05%	0.30%
on the next Rs.5,000 crores of the daily net assets	1.50%	0.05%	0.30%
On the next Rs.40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof	0.05%	0.30%
On balance of the assets	1.05%	0.05%	0.30%

Notes to Table 1:

^In addition to expenses as permissible under Regulation 52 (6) (c), the AMC may also charge the following to the Scheme of the Fund under Regulation 52 (6A):

- a. Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions.

It is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade over and above the said 0.12 percent and 0.05 percent for cash market transactions and derivatives transactions respectively may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

- b. Additional expenses up to 0.30 per cent of daily net assets of the concerned Schemes of the Fund if new inflows from such cities as may be specified by Regulations from time to time are at least:
 - i. 30 per cent of gross new inflows from retail investors* in the concerned Scheme, or;
 - ii. 15 per cent of the average assets under management (year to date) of the concerned Scheme, whichever is higher.

Provided that if inflows from such cities is less than the higher of (i) or (ii) mentioned above, such expenses on daily net assets of the concerned Scheme shall be charged on proportionate basis.

* Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investors".

The additional expenses charged shall be utilized for distribution expenses incurred for bringing inflows from such cities. The additional expense charged to the Scheme on account of inflows from such cities shall be credited back to the concerned Scheme in case such inflows are redeemed within a period of one year from the date of investment.

- c. Additional expenses not exceeding 0.05 % of daily net assets of the scheme as per Regulation 52(6A)(c). Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable

GST on investment and advisory fees:

- a) AMC may charge GST on investment and advisory fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).
- b) GST on expenses other than investment and advisory fees: AMC may charge GST on expenses other than investment and advisory fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A).
- c) GST on brokerage & transaction cost: GST on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of expenses as per the Regulation 52(6) and (6A).

Others:

In accordance with SEBI circular dated October 22, 2018, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall be paid from the scheme only within the regulatory limits and not from the books of the AMC, or by the trustee or sponsors.

Provided that the expenses that are very small in value but high in volume (as provided by AMFI in consultation with SEBI) may be paid out of AMC's books. Such expenses can be paid out of AMC's books at actuals or not exceeding 2 bps of the Scheme AUM, whichever is lower.

Further with regards to the cost of borrowings in terms of Regulation 44(2), the same shall be adjusted against the portfolio yield of the Scheme and borrowing costs in excess of portfolio yield, if any, shall be borne by the AMC.

C. Disclosure relating to changes in TER:

In accordance with SEBI circulars viz. SEBI/HO/IMD/DF2/CIR/P/2018/18 dated February 5, 2018 and SEBI/HO/IMD/DF2/CIR/P/2018/91 dated June 5, 2018, the AMC shall prominently disclose TER on daily basis on the website www.dspim.com. Further, changes in the base TER (i.e. TER excluding additional expenses provided in Regulation 52(6A)(b), 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996 and Goods and Services Tax on investment and advisory fees) in comparison to previous base TER charged to any scheme/plan shall be communicated to investors of the scheme/plan through notice via email or SMS at least three working days prior to effecting such change.

The notices of change in base TER shall be updated on the website at least three working days prior to effecting such change Provided that any decrease in TER in a mutual fund scheme due to various regulatory requirements, would not require issuance of any prior notice to the investors.

The prior intimation/notice shall not be required for any increase or decrease in base TER due to change in AUM and any decrease in base TER due to various regulatory requirements.

A. Illustrative example for estimating expenses for a scheme with corpus of 100 crores:

The AMC in good faith has estimated and summarized in the below table for each Scheme, the expenses on a corpus size of Rs. 100 crores. The actual total expenses may be more or less than as specified in the table below. The below expenses are subject to inter-se change and may increase/decrease as per actuals, and/or any change in the Regulations.

Table 2: The estimated total expenses as a % of daily net assets of the Scheme are as follows:

Sr No.	Indicative Expense Heads	% of daily net assets
(i)	Investment Management and Advisory Fees	Upto 2.25%
(ii)	Fees and expenses of trustees*	
(iii)	Audit fees	
(iv)	Custodian fees	
(v)	RTA Fees	
(vi)	Marketing & Selling expense incl. agent commission	
(vii)	Cost related to investor communications	
(viii)	Cost of fund transfer from location to location	
(ix)	Cost of providing account statements and dividend redemption cheques and warrants	
(x)	Costs of statutory Advertisements	
(xi)	Cost towards investor education & awareness (at least 0.02 percent)	
(xii)	Brokerage & transaction cost over and above 0.12 percent and 0.05 percent for cash and derivative market trades, respectively.	
(xiii)	GST on expenses other than investment and advisory fees	
(xiv)	GST on brokerage and transaction cost	
(a)	Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)	Upto 2.25%
(b)	Additional expenses under regulation 52 (6A) (c)§	Upto 0.05%
(c)	Additional expenses for gross new inflows from specified cities under regulation 52(6A)(b)	Up to 0.30%

- * The Trusteeship fees as per the provisions of the Trust Deed are subject to a maximum of 0.02% of the average net Trust Funds per annum. It has been decided by the Trustee to charge the Trusteeship Fees in proportion to the net assets of each of the Scheme of the Mutual Fund. The Trustee reserves the right to change the method of allocation of Trusteeship fees for the Scheme, from time to time.

§ The nature of expenses can be any permissible expenses including management fees.

The goods and service tax on Investment Management and Advisory fees will depend on the total amount charged as Investment Management and Advisory fees. Currently it is chargeable at 18% on Investment Management and Advisory Fees.

Expense Structure for Direct Plan - .

Direct Plan will have lower expense ratio than Regular Plan of the Scheme. The expenses under Direct Plan shall exclude the distribution and commission expenses and additional expenses for gross new flows from specified cities under regulation 52(6A)(b). All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a Regular Plan.

The above expense structures are indicative in nature. Actual expenses could be lower than mentioned above.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that the investor in the Scheme will bear directly or indirectly.

For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

B. Illustration of impact of expense ratio on scheme's returns:

Particulars	NAV p.u. in Rs.	%
(A) Opening NAV at the beginning of the year	100.00	
(B) Annual income accrued to the scheme	15	15%
(C) Annual expense charged by the scheme	1.75	1.75%
(D) Closing NAV at the end of the year (D=A+B-C)	113.25	
(E) Net annual return to investors (E=D-A)	13.25	13.25%

Link for TER disclosure: <https://dspim.com/others/mandatory-disclosures>

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the Units or to redeem the units from the Scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, investors may refer the website of the AMC www.dspim.com or call at 1800-200-44-99 (toll free) or may contact their distributor.

Entry Load - Not Applicable

Exit Load[#] - Holding Period from the date of allotment:

< 12 months - 1%

>= 12 months - Nil

[#]Applicable for investments made through normal purchase and SIP/STP/SWP transactions.

Please note, that for the purpose of calculating the holding period each investment/transaction made into a Scheme will be tracked separately. Investors are advised to contact any of the Investor Service Centres or the AMC to know the latest position on Exit Load structure prior to investing in the Scheme.

Note on load exemptions:

1. No Entry Load will be charged with respect to applications for purchase/additional purchase/switch-in and applications for registration of SIP/STP
2. There will be no Exit Load on inter-option switching.
3. No load will be charged on issue of bonus Units and Units allotted on reinvestment of dividend for existing as well as prospective investors.
4. No exit load shall be levied in case of switch of investments from Direct Plan to Regular Plan and vice versa

Exit load charged shall be credited to the Scheme. The goods and service tax on exit load shall be paid out of the exit load proceeds and exit load net of goods and service tax shall be credited to the Scheme.

Investors may note that the Trustee has the right to modify the existing load structure, subject to a maximum as prescribed under the SEBI (MF) Regulations. Any imposition or enhancement in the load shall be applicable on prospective investments only. At the time of changing the load structure, the AMC shall consider the following measures to avoid complaints from investors about investment in the Scheme without knowing the loads:

- (i) Addendum detailing the changes will be attached to the SID and Key Information Memorandum (KIM). The addendum may be circulated to all the distributors/brokers so that the same can be attached to all SIDs and KIMs already in stock.
- (ii) Arrangements will be made to display the addendum to the SID in the form of a notice in all the ISCs/offices of the AMC/Registrar.
- (iii) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- (iv) The introduction of the Exit Load along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and will also be disclosed in the statement of accounts issued after the introduction of such load.

Investors are requested to check the prevailing load structure of the Scheme before investing.

Exit load charged shall be credited to the scheme. The goods and service tax on exit load shall be paid out of the exit load proceeds and exit load net of goods and service tax shall be credited to the concerned scheme.

No Exit Load will be charged in respect of any Plan, if the Units are redeemed at the discretion of the Mutual Fund, where the value of the balance Units in that Scheme/ Plan (in a particular folio) falls below Rs. 500 /- in any scheme and in any Plan and at least 6 months have elapsed since his/her/its first investment in that Plan.

D. TRANSACTION CHARGE

In accordance to SEBI circular no. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, transaction Charges on purchase/subscription received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted to receive the transaction charges) shall be deducted by the AMC from the subscription amount and paid to the distributor and balance shall be invested, as under:

- (i) First Time Mutual Fund Investor (across Mutual Funds):
Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent (provided the distributor has Opt-In for this charge cum facility) of the first time investor and the balance shall be invested.
- (ii) Investor other than First Time Mutual Fund Investor:

Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/agent (provided the distributor has Opt-In for this charge cum facility) of the investor and the balance shall be invested.

However, transaction charges in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 3 or 4 installments.

(iii) Transaction charges shall not be deducted/applicable for:

- a. purchases /subscriptions for an amount less than Rs. 10,000/-;
- b. Transaction other than purchases/subscriptions relating to new inflows such as Switch/STP/DTP, etc.
- c. purchases/subscriptions made directly with the Mutual Fund without any ARN code (i.e. not routed through any distributor/agent);
- d. Transactions carried out through the stock exchange mode.

The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

As per SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09, dated June 30, 2009, upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

The AMC shall deduct the Transaction charges on purchase/subscription of Rs, 10, 000/- and above received from first time mutual fund investors and investors other than first time mutual fund investors through the distributor/agent based on the type of product opted-in by the distributor to receive transaction charges.

SECTION VIII. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

SECTION IX. PENALTIES AND PENDING LITIGATION

Penalties and pending litigation or proceedings, findings of inspections or investigations for which action may have been taken or is in the process of being taken by any regulatory authority

1. Details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years:
 - On January 21, 2020, the AMC filed a plaint in the Honorable High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction in its Commercial Division a suit for infringement of trademark and passing off (Category Code no.1017 Act Code No.87) against DSP Realty, a proprietary concern of Shrikant Bhausahub Pawar ('Defendant').

The mentioned suit was filed inter-alia for the acts of infringement, passing off and damages by the Defendant, whose trade mark is deceptively similar to the AMC's registered DSP marks.

2. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/

or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party:

NONE.

3. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party:

NONE.

4. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency:

NONE.

Notwithstanding anything contained in this SID, the provisions of the SEBI (MF) Regulations, 1996 and the guidelines there under shall be applicable.

**For DSP Trustee Private Limited
Trustee: DSP Mutual Fund**

Sd/-
Shitin D. Desai
Chairman

Sd/-
S.S.N. Moorthy
Director

Place: Mumbai
Date: April 25, 2020

List of Official Points of Acceptance of Transactions*

DSP Investment Managers Private Limited - Investor Service Centres

HEAD OFFICE - Mumbai:	Mafatlal Centre, 10th Floor, Nariman Point, Mumbai - 400021.
Ahmedabad:	3rd Eye One, Office No. 301, 3rd Floor, Opposite Havmor Restaurant, C.G Road, Panchavati, Ahmedabad - 380006.
Agra:	Shanta Tower, Office No. 12, 1st Floor, Block No. E-14, 16 Sanjay Place, Agra - 282003.
Bengaluru:	Raheja Towers, West Wing, Office No. 104 -106, 1st floor, 26-27, M.G. Road, Bengaluru - 560001.
Bhopal:	Star Arcade, Office No. 302, 3rd Floor, Plot No. 165 A and 166, Zone-1, M.P Nagar, Bhopal - 462011.
Bhubaneswar:	Lotus House, Office No. 3, 2nd Floor, 108 / A, Kharvel Nagar, Unit III, Master Canteen Square, Bhubaneswar - 751001.
Chandigarh:	SCO 2471 - 72, 1st Floor, Sector 22 - C, Chandigarh - 160022.
Chennai:	Alamelu Terraces, Office No. 163, 3rd Floor, Anna Salai, Chennai - 600002.
Coimbatore:	Tristar Towers, 657, East Wing, 1st Floor, Avinashi Road, Coimbatore - 641037.
Dehradun:	NCR Plaza, Office No. G 12/A, Ground Floor, (No. 24-A) (New No. 112/28, Ravindranath Tagore Marg), New Cantt Road, Hathibarkhala, Dehradun - 248001.
Goa:	Cedmar Apartments, Block D-A, 3rd Floor, Next to Hotel Arcadia, MG Road, Panaji, Goa - 403001
Guwahati:	Mayur Gardens, Office No. 5, Upper Ground Floor, G.S Road, Near ABC Bus Stop, Guwahati - 781005.
Hyderabad:	RVR Towers, Office No 1-B, 1st Floor, Door No. 6-3-1089/F, Rajbhavan Road, Somajiguda, Hyderabad - 500082
Indore:	Starlit Tower, Office No. 206, 2nd Floor, 29/1, Y.N Road, Opp. S.B.I., Indore - 452001.
Jaipur:	Green House, Office No. 201 to 204, 2nd Floor, O-15 Ashok Marg, Above Axis Bank, C - Scheme, Jaipur - 302001.
Jamshedpur:	ShantiNiketan, 2nd Floor, Main Road, P.O Bistupur, Jamshedpur - 831001.
Jodhpur:	Keshav Bhawan, Office No. 2, Ground Floor, Chopasni Road, Near HDFC Bank, Jodhpur - 342003.
Kanpur:	KAN Chambers, Office No. 701-703, 7th Floor, 14/113, Civil Lines, Kanpur - 208001.
Kochi:	Amrithaa Towers, Office No. 40 / 1045 H1, 6th Floor, Opp. Maharajas College Ground, M.G Road, Kochi - 682011.
Kolkata:	Legacy Building, Fourth Floor, Office No. 41B 25A, Shakespeare Sarani, Kolkata - 700017.
Lucknow:	3rd Floor, Capital House, 2 Tilak Marg, Hazratganj, Lucknow-226001.
Ludhiana:	SCO-29, 1st Floor, Feroze Gandhi Market, Pakhowal Road, Ludhiana - 141001.
Mangalore:	Maximus Commercial Complex, Office No. UGI - 5, Upper Ground Floor, Light House Hill Road, Opp. KMC, Mangalore - 575001.
Mumbai:	Natraj, Office No. 302, 3rd Floor, Plot No - 194, MV Road Junction, Western Express Highway, Andheri (East), Mumbai - 400069.
Nagpur:	Milestone, Office No. 108 & 109, 1st Floor, Ramdaspath, Wardha Road, Nagpur - 440010.
Nasik:	Bedmutha's Navkar Heights, Office No 1 & 2, 3rd Floor, New Pandit Colony, Sharanpur Road, Nasik - 422002.
New Delhi:	Dr. Gopal Das Bhavan, Upper Ground Floor, 28 Barakhamba Road, New Delhi - 110001.
Patna:	Dumraon Place, L309 & L310, Third Floor, Frazer Road, Patna - 800001.
Pune:	City Mall, Unit No. 109 - (A,B,C), 1st Floor, University Square, University Road, Pune - 411007.
Raipur:	Raheja Towers, Office No SF 18, 2nd Floor, Near Hotel Celebration, Fafadih, Raipur - 492001.
Rajkot:	Hem Arcade, Office No. 303, 3rd Floor, Opposite Swami Vivekanand Statue, Dr. Yagnik Road, Rajkot - 360001.
Ranchi:	Shrilok Complex, No. 106, 107, 108 & 109, 1st Floor, Plot No - 1999 & 2000, 4 Hazaribagh Road, Ranchi - 834001.
Surat:	International Trade Centre, Office No. G-28, Ground Floor, Majura Gate Crossing, Ring Road, Surat - 395002.
Trivandrum:	Menathottam Chambers, TC-2442(6), 2nd Floor, Pattom PO, Trivandrum - 695004.
Vadodara:	Naman House, 1/2 - B Haribhakti Colony, Ground Floor, Opp. Race Course Post Office, Near Bird Circle, Race Course, Vadodara - 390007.
Vapi:	Bhikaji Regency, Office No. 3, 1st Floor, Opposite DCB Bank. Vapi - Silvasa Road, Vapi - 396195.
Varanasi:	Arihant Complex, D-64/127 C-H, 7th Floor, Sibra, Varanasi - 221010.
Visakhapatnam:	VRC complex, Office No 304 B, 47-15-14/15, Rajajee Nagar, Dwaraka Nagar, Visakhapatnam - 530016.

CAMS Investor Service Centres and Transaction Points

Agartala: Advisor Chowmhuri (Ground Floor), Krishnanagar, Agartala - 799001 **Agra:** No. 8, II Floor, Maruti Tower, Sanjay Place, Agra - 282002 **Ahmedabad:** 111- 113, 1 st Floor- Devpath Building, Off C G Road, Behind Lal Bungalow, Ellis Bridge, **Ahmedabad** - 380 006 **Ahmednagar:** B, 1+3, Krishna Enclave Complex, Near Hotel Natraj, Nagar-Aurangabad Road, Ahmednagar - 414 001 **Ajmer:** AMC No. 423/30, Near Church, Opp T B Hospital, Jaipur Road, Ajmer - 305001 **Akola:** Opp. RLT Science College, Civil Lines, ,Akola - 444001 **Aligarh:** City Enclave, Opp. Kumar Nursing Home, Ramghat Road, Aligarh - 202001 **Allahabad:** 30/2, A&B, Civil Lines Station, Besides Vishal Mega Mart, Strachey Road, Allahabad - 211001 **Alleppey:** Doctor's Tower Building, Door No. 14/2562, 1st floor, "North of Iorn Bridge, Near Hotel Arcadia Regency", Alleppey - 688001 **Alwar:** 256A, Scheme No:1, Arya Nagar, Alwar - 301001 **Amaravati:** 81, Gulshan Tower, 2nd Floor, Near Panchsheel Talkies, Amaravati - 444601 **Ambala:** Opp: Peer, Bal Bhawan Road, Ambala - 134003 **Amritsar:** SCO - 18J, 'C', Block Ranjit Avenue, Amritsar - 140001 **Anand:** 101, A.P. Tower, B/H, Sardhar Gunj, Next to Nathwani Chambers, Anand - 388001 **Anantapur:** 15-570-33, I Floor, Pallavi Towers, Subash Road, Opp:Canara Bank, Anantapur - 515 001 **Andheri:** CTS No 411, Citipoint, Gundivali, Teli Gali, Above C.T. Chawani Hall, Andheri , Mumbai - 400069 **Ankleshwar:** Shop No - F -56, First Floor, Omkar Complex, Opp Old Colony, Nr Valia Char Rasta, GIDC, Ankleshwar - 393002 **Asansol:** Block - G 1st Floor, P C Chatterjee Market Complex, Rambandhu Talab P O Ushagram, Asansol - 713303 **Aurangabad:** 2nd Floor, Block No. D-21-D-22, Motiwala Trade Center, Nirala Bazar, New Samarth Nagar, Opp. HDFC Bank, Aurangabad - 431001 **Balalore:** B C Sen Road, ,Balasore - 756001 **Bangalore:** Trade Centre, 1st Floor, 45, Dikensen Road, (Next to Manipal Centre), Bangalore - 560 042 **Bareilly:** F-62-63, Butler Plaza, Commercial Complex, Civil Lines, Bareilly - 243001 **Basti:** Office no 3, 1st Floor, "Jamia Shopping Complex , (Opposite Pandey School)", Station Road, Basti - 272002 **Belgaum:** 1st Floor, 221/2A/1B, Vaccine Depot Road, Near 2nd Railway gate, Tilakwadi, Belgaum - 590006 **Bellary:** 60/5, Mullangi Compound, Gandhinagar Main Road, (Old Gopalswamy Road), Bellary - 583101 **Berhampur:** First Floor, Upstairs of Aaroon Printers, Gandhi Nagar Main Road, Berhampur - 760001 **Bhagalpur:** Krishna, I Floor, Near Mahadev Cinema, Dr.R.P.Road, Bhagalpur - 812002 **Bharuch (parent: Ankleshwar TP):** F-108, Rangoli Complex, Station Road, Bharuch - 392001 **Bhatinda:** 2907 GH, GT Road, Near Zila Parishad, Bhatinda - 151001 **Bhavnagar:** 305-306, Sterling Point, Waghwadi Road, Opp. HDFC BANK, Bhavnagar - 364002 **Bhilai:** Shop No. 117, Ground Floor, Khicharia Complex, Opp. IDBI Bank, Nehru Nagar Square, Bhilai - 490020 **Bhilwara:** Indraprastha Tower, Second Floor, Shayam ki sabji mandi, Near Mukharji garden, Bhilwara - 311001 **Bhopal:** Plot no 10, 2nd Floor, Alankar Complex, Near ICICI Bank, MP Nagar, Zone II, Bhopal - 462011 **Bhubaneswar:** Plot No -111, Varaha Complex Building, 3rd Floor, Station Square, Kharvel Nagar, Unit 3, Bhubaneswar - 751 001 **Bhuj:** Data Solution, Office No:17, 1st Floor, Municipal Building Opp Hotel Prince, Station Road, Bhuj - 370001 **Bhusawal (Parent: Jalgaon TP):** 3, Adelaide Apartment, Christian Mohala, Behind Gulshan-E-Iran Hotel, Amardeep Talkies Road, Bhusawal - 425201 **Bikaner:** F 4, 5 Bothra Complex, Modern Market, Bikaner - 334001 **Bilaspur:** 2nd Floor, Gwalani Chambers, St Xavier School Road, "Front of CIT (Income Tax) Office, Vyapar Vihar", Bilaspur - 495 001 **Bokaro:** Mazzanine Floor, F-4, City Centre, Sector 4, Bokaro Steel City, Bokaro - 827004 **Burdwan:** 1st Floor, Above Exide Showroom 399 G T Road Burdwan-713101. **Calicut:** 29/97G 2nd Floor, Gulf Air Building, Mavor Road, Arayidathupalam, Calicut - 673016 **Chandigarh:** Deepak Tower, SCO 154-155, 1st Floor, Sector 17-C, Chandigarh - 160 017 **Chennai:** Ground Floor No.178/10, Kodambakkam High Road, Opp. Hotel Palmgrove, Nungambakkam, Chennai - 600 034 **Chhindwara:** Shop No. 01 Near Puja Lawn, Prarasia Road, Chhindwara - 480 001 **Chittoor:** 3 Ashok Nagar, Near Heera Vatika, Chittoor - 312001 **Cochin:** 1st Floor, K C Centre, Door No.42/227-B, Chittoor Road, Opp. North Town Police Station, Kacheripady, Cochin - 682 018 **Coimbatore:** No 1334; Thadagam Road, Thirumoorthy Layout, R.S. Puram, Behind Venkteswara Bakery, Coimbatore - 641002 **Cuttack:** Near Indian Overseas Bank, Cantonment Road, Mata Math, Cuttack - 753001 **Darbhanga:** Shahi Complex, 1st Floor, Near RB Memorial hospital, V.I.P. Road, Benta, Laheriasarai, Darbhanga - 846001 **Davangere:** 13, 1st Floor, Akkamahadevi Samaj Complex, Church Road, P.J.Extension, Davangere - 577002 **Dehradun:** 204/121 Nari Ship Mandir Marg, Old Connaught Place, Dehradun - 248001 **Deoghar:** S S M Jalan Road, Ground Floor, Opp. Hotel Ashoke, Caster Town, Deoghar - 814112 **Dhanbad:** Urmila Towers, Room No: 111(1st Floor), Bank More, Dhanbad - 826001 **Dharmapuri:** 16A/63A, Pidamneri Road, Near Indoor Stadium, Dharmapuri - 636 701 **Dhule:** H. No. 1793 / A, J.B. Road, Near Tower Garden, Dhule - 424 001 **Durgapur:** City Plaza Building, 3rd Floor, City Centre, Durgapur - 713 216 **Erode:** 197, Seshaiyer Complex, Agharam Street, Erode - 628001 **Faizabad:** 64 Cantonment, Near GPO, **Faizabad** - 224001 **Faridabad:** B-49, 1st Floor, Nehru Ground, Behind Anupam Sweet House, NIT, Faridabad - 121001 **Gandhidham:** S-7, Ratnakala Arcade, Plot No. 231, Ward - 12/B, Gandhidham - 370 201 **Ghaziabad:** 113/6 1st Floor, Navyug Market, Ghaziabad - 201001 **Goa:** No.108, 1st Floor, Gurudutta Bldg, Above Weekender, M G Road, Goa - 403 001 **Gondal (Parent: Rajkot):** A/177, Kailash Complex , Opp. Khedut Decor , Gondal - 360 311 **Gorakhpur:** Shop No. 3, Second Floor, The Mall, Cross Road, A.D. Chowk, Bank Road, Gorakhpur - 273001 **Gulbarga:** Pal Complex, 1st Floor, Opp. City Bus Stop, Supermarket, Gulbarga - 585 101 **Guntur:** Door No 5-38-44, 5/1 Brodipet, Near Ravi Sankar Hotel, Guntur - 522002 **Gurgaon:** SCO - 16, Sector - 14, 1st Floor, Gurgaon - 122001 **Guwahati:** A.K. Azad Road, Rehbari, Guwahati - 781008 **Gwalior:** G-6 Global Apartment, Kailash Vihar Colony, "Opp. Income Tax Office, City Centre, Gwalior - 474002 **Haldia:** 1st Floor, New Market Complex, "Durgachak Post Office, Purba Medinipur District," Haldia - 721 602 **Haldwani:** Durga City Centre, Nainital Road, Haldwani - 263139 **Hazaribag:** Municipal Market, Annanda Chowk, Hazaribag - 825301 **Himmatnagar:** D-78 First Floor, New Durga Bazar, Near Railway Crossing, Himmatnagar - 383 001 **Hisar:** 12, Opp. Bank of Baroda, Red Square Market, Hisar - 125001 **Hoshiarpur:** Near Archie's Gallery, Shimla Pahari Chowk, Hoshiarpur - 146 001 **Hosur:** No.9/2, 1st Floor, Attibele Road, HCF Post, Behind RTO office, Mathigiri, Hosur - 635 110 **Hubli:** No.204 - 205, 1st Floor, ' B ' Block, Kundagol Complex, Opp. Court, Club Road, Hubli - 580029 **Hyderabad:** 208, II Floor, Jade Arcade, Paradise Circle, Hyderabad - 500 003 **Indore:** 101, Shalimar Corporate Centre, 8-B, South Tukogunj, Opp.Greenpark, Indore - 452 001 **Jabalpur:** 8, Ground Floor, Datt Towers, Behind Commercial Automobiles, Napier Town, Jabalpur - 482001 **Jaipur:** R-7, Yudhisthir Marg, C-Scheme, Behind Ashok Nagar Police Station, Jaipur - 302 001 **Jalandhar:** 367/8, Central Town, Opp.Gurudwara Diwan Asthan, Jalandhar - 144001 **Jalgaon:** Rustomji Infotech Services, 70, Navipeth, Opp. Old Bus Stand, Jalgaon, - 425001 **Jalna:** Shop No 6, Ground Floor, Anand Plaza Complex, Bharat Nagar, Shivaji Putla Road, Jalna - 431 203 **Jammu:** JRD'S Heights, Lane Opp. S&S Computers ,Near RBI Building, Sector 14, Nanak Nagar, Jammu - 180004 **Jamnagar:** 207, Manek Centre, P N Marg, Jamnagar - 361 001 **Jamshedpur:** Millennium Tower, "R" Road, Room No:15 First Floor, Bistupur, Jamshedpur - 831001 **Jaunpur:** 248, Fort Road, Near Amber Hotel , Jaunpur - 222001 **Jhansi:** 372/18 D, 1st Floor above IDBI Bank, Beside V-Mart, Near "RASKHAN" Gwalior Road, Jhansi - 284001. **Jodhpur:** 1/5, Nirmal Tower, 1st Chopasani Road, Jodhpur - 342003 **Junagadh:** "Aastha Plus", 202-A, 2nd Floor, Sardarbag Road, Nr. Alkapuri, "Opp. Zansi Rani Statue", Junagadh - 362001 **Kadapa:** Bandi Subbaramaiah Complex, D.No:3/1718, Shop No: 8, Raja Reddy Street, Kadapa - 516 001 **Kakinada:** No.33-1, 44 Sri Sathya Complex, Main Road, Kakinada - 533 001 **Kalyani:** A - 1/50, Block - A, ,Dist Nadia, Kalyani - 741235 **Kannur:** Room No.14/435, Casa Marina Shopping Centre, Talap, Kannur - 670004 **Kanpur:** I Floor 106 to 108, City Centre Phase II, 63/ 2, The Mall, Kanpur - 208 001 **Karimnagar:** H No.7-1-257, Upstairs S B H, Mangammathota, Karimnagar - 505 001 **Karnal (Parent :Panipat TP):** 7, IInd Floor, Opp Bata Showroom ,Kunjapura Road, Karnal - 132001 **Karur:**126 G, V.P.Towers, Kovai Road, Basement of Axis Bank, Karur - 639002 **Katni:** 1st Floor, Gurunanak dharmakanta, Jabalpur Road, Bargawan, Katni - 483 501 **Kestopur:** S.D.Tower ,Sreeparna Apartment ,AA-101, Prafulla Kannaan (West), Shop No .1M, Block -C(Ground Floor), Kestopur - 700101 **Khammam:** Shop No: 11 - 2 - 31/3, 1st floor, Philips Complex, Balajinagar, Wyra Road, Near Baburao Petrol Bunk, Khammam - 507 001 **Kharagpur:** H.No.291/1, Ward No-15, Malancha Main Road, Opp: Uco Bank, Kharagpur - 721301 **Kolhapur:** 2 B, 3rd Floor, Ayodhya Towers, Station Road, Kolhapur - 416001 **Kolkata:** Saket Building, 44 Park Street, 2nd Floor, Kolkata - 700016 **Kolkata-CC (Kolkata Central):** 2A, Ganesh Chandra Avenue, Room No.3A, Commerce House"(4th Floor), Kolkata - 700013 **Kollam:** Kochuplamoodu Junction, Near V.L.C, Beach Road, Kollam - 691001 **Kota:** B-33 "Kalyan Bhawan, Triangle Part, Vallabh Nagar, Kota - 324007 **Kottayam:** Jacob Complex, Building No - Old No-1319F, New No - 2512D, Behind Makkil Centre, Good Sheperd Road, Kottayam - 686001 **Kumbakonam:** Jailani Complex, 47, Mutt Street, Kumbakonam - 612001 **Kurnool:** H.No.43/8, Upstairs, Uppini Arcade, N R Peta, Kurnool - 518 004 **Lucknow:** Off # 4, 1st Floor, Centre Court Building, 3/C, 5 - Park Road, Hazratganj; Lucknow - 226 001 **Ludhiana:** U/ GF, Prince Market, Green Field, Near Traffic Lights, Sarabha Nagar Pulli, Pakhowal Road, Ludhiana - 141

