

DSP

MUTUAL FUND

SCHEME INFORMATION DOCUMENT

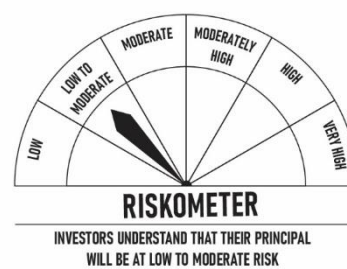
DSP LOW DURATION FUND

An open ended low duration debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 6 months and 12 months (please refer page no. 20 under the section “Where will the Scheme invest” for details on Macaulay’s Duration)

This scheme is suitable for investors who are seeking*

- Income over a short-term investment horizon
- Investment in money market and debt securities

* 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
Name of Trustee Company	:	DSP Trustee 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 the 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 this Scheme Information Document (SID).

The SID 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 after the date of this document from DSP 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 Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This SID is dated May 28, 2021

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SECTION I. HIGHLIGHTS/SUMMARY OF THE SCHEME	
Type of Scheme	An open ended low duration debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 6 months and 12 months (please refer page no. 20 under the section “Where will the Scheme invest” for details on Macaulay’s Duration)
Investment Objective	The investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. There is no assurance that the investment objective of the Scheme will be realized.
Plans under the Scheme	<ul style="list-style-type: none"> • Regular Plan • Direct Plan The Plans under the Scheme will have common portfolio.
Options available under each plans of the Scheme	<ul style="list-style-type: none"> • Growth* • Daily Income Distribution cum Capital Withdrawal (IDCW)^ <ul style="list-style-type: none"> ▪ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW) • Weekly Income Distribution cum Capital Withdrawal (IDCW) <ul style="list-style-type: none"> ▪ Payout of Income Distribution cum Capital Withdrawal (IDCW) ▪ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW) • Monthly Income Distribution cum Capital Withdrawal (IDCW)^ <ul style="list-style-type: none"> ▪ Payout of Income Distribution cum Capital Withdrawal option (IDCW) ▪ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW) • Quarterly Income Distribution cum Capital Withdrawal option (IDCW)^ <ul style="list-style-type: none"> ▪ Payout of Income Distribution cum Capital Withdrawal (IDCW) ▪ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW) *default Option ^All subscription/switch in application(s) and/or registration of new Systematic Investment Plan, Systematic Transfer Plan and Transfer of Income Distribution cum Capital Withdrawal Plan in above mentioned options offered scheme shall be suspended with effect from April 1, 2021.
Minimum Application Amount (First purchase and for subsequent purchase)	Rs. 500/- and any amount thereafter.
Minimum installment for Systematic Investment Plan (SIP)	Rs. 500/-
Minimum installment for Systematic Withdrawal Plan (SWP)/Systematic Transfer Plan (STP)	Rs. 500/-
Loads	Entry Load - Not Applicable The upfront commission on investment made by the investor shall be paid to the ARN Holder directly by the investor, based on the investor’s assessment of various factors including service rendered by the ARN Holder. Exit Load - NIL Note: No exit load shall be levied In case of switch of investments from Direct Plan to Regular Plan and vice versa.

Liquidity	The Mutual Fund will endeavor to dispatch redemption proceeds within 1 Business Days from the date of acceptance of redemption request.
Benchmark Index	NIFTY Low Duration Debt Index
Transparency/NAV Disclosure	<p>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.</p> <p>In case of unit holders whose email addresses are registered with the Fund, the AMC shall send fortnightly/half yearly portfolio via email within 5 days from the end of each fortnight/10 days from the end of each half year. The fortnightly/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 5th day of subsequent fortnight/10th day of succeeding half year.</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 unit holders 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 unit holder.</p> <p>Latest available NAVs shall be available to unit holders 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>

Note: 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 /redemption/switch on the Business Day on which the subscription/redemption/switch is sought by the investor and determined by the Fund.
AMC or Investment Manager or DSPIM	DSP Investment Managers Private Limited the asset management company, set up under the Companies Act 1956, and authorized 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 Reserve Bank of India or banks in Mumbai remains closed, (iii) a day on which there is no Reserve Bank of India clearing/settlement of securities, (iv) a day on which money markets are closed /not accessible and (v) a day on which the Sale and Redemption of Units are suspended.
Continuous Offer/Ongoing Offer	Offer of Units when the Scheme becomes available for subscription, after the closure of the New Fund Offer.
Consolidated Account Statement (CAS)	A statement containing details relating to transactions made by an investor across all mutual funds viz. purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions, etc., with respect to the Units held in physical form.
Custodian	Citibank N. A., Mumbai branch, acting as custodian to the Scheme, or any other Custodian who is approved by the Trustee.
Depository	National Securities Depository Ltd.(NSDL)/Central Depository Services (India) Limited (CDSL) or such other depository as approved by the Trustee, being a body corporate as defined in the Depositories Act, 1996.
Depository Participant/DP	Depository Participant (DP) is an agent of the Depository who acts like an intermediary between the Depository and the investors. DP is an entity who 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.
DSPLDF/ Scheme/The Scheme	DSP Low Duration Fund
Entry Load	Load on purchase of Units
Exit Load	Load on redemption of Units
Fund/Mutual Fund	DSP Mutual Fund, a trust set up under the provisions of the Indian Trust Act, 1882, and registered with SEBI vide Registration No. MF/036/97/7.
FPI	Foreign Portfolio Investors (FPI) as defined in Regulation 2(1)(h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
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.

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.
NAV	Net Asset Value of the Units of the Scheme (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.
NRI	Non Resident Indian.
Offer Document	This Scheme Information Document (SID) and the Statement of Additional Information (SAI) (collectively)
PIO	Person of Indian Origin.
Registrar and Transfer Agent/RTA	Computer Age Management Services Limited(CAMS)
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 .
Scheme Information Document/SID	This document issued by DSP Mutual Fund, offering Units of DSP Low Duration Fund.
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 Ltd., National Stock Exchange of India Ltd. or any other recognized stock exchange in India, as may be approved by the Trustee.
Stock Exchange mechanism/Trading Platforms	MFSS (platform offered by NSE), BSE StAR MF (platform offered by BSE), ICEXMF (platform offered by iCEX) 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, a company set up under the Companies Act, 1956 and approved by SEBI to act as the Trustee to the schemes of DSP Mutual Fund.
Unit	The interest of an investor which consists of one undivided share in the Unit Capital of the relevant Option under the Scheme offered by this SID.
Unit Holder/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	LTV:	Loan to Value Ratio
AMFI :	Association of Mutual Funds in India	MBS:	Mortgaged Backed Securities
AML:	Anti-Money Laundering	MFSS:	Mutual Fund Service System
ABS:	Asset Backed Securities	MFU:	MF Utilities India Private Limited
ASBA:	Application Supported by Blocked Amount	NAV:	Net Asset Value
AOP:	Association of Person	NEFT:	National Electronic Funds Transfer
BSE:	BSE Ltd.	NFO:	New Fund Offer
BSE StAR MF:	BSE Stock Exchange Platform for Allotment and Repurchase of Mutual Funds	NRI:	Non-Resident Indian
CAS:	Consolidated Account Statement	NRE:	Non Resident External
CAMS:	Computer Age Management Services Limited	NRO:	Non Resident Ordinary
CDSL:	Central Depository Services (India) Limited	NSE/ National Stock Exchange:	National Stock Exchange of India Ltd.
DFI:	Development Financial Institutions	NSDL:	National Securities Depository Limited
IDCW Transfer Plan:	Transfer of Income Distribution cum Capital Withdrawal plan	OTC:	Over the Counter
DP:	Depository Participant	OTM:	One Time Mandate
DFI:	Development Financial Institutions	POA:	Power of Attorney
ECS:	Electronic Clearing System	PIO:	Person of Indian Origin
EFT:	Electronic Funds Transfer	PMLA:	Prevention of Money Laundering Act, 2002
FRA:	Forward Rate Agreement	POS:	Points of Service
FIRC:	Foreign Inward Remittance Certificate	PSU:	Public Sector Undertaking
FOF:	Fund of Funds	RBI:	Reserve Bank of India
FPI:	Foreign Portfolio Investor	RTGS:	Real Time Gross Settlement
FATCA:	Foreign Account Tax Compliance Act	SEBI:	Securities and Exchange Board of India
Flex STP:	Flex Systematic Transfer Plan	SI:	Standing Instructions
GST:	Good and Service Tax	SIP:	Systematic Investment Plan
HUF:	Hindu Undivided Family	SWP:	Systematic Withdrawal Plan
IDCW:	Income Distribution cum Capital Withdrawal	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
Value STP:	Value Systematic Transfer Plan	TREPS:	Tri Party REPOs

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.” 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.
- 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 does not guarantee or assure return Scheme.

Additional Risk Factors for Foreign 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 Investors in the mutual fund Units. The INR value of investments when translated into home currency by Foreign Investors could be lower because of the currency movements. The AMC does not manage currency risk for foreign investors and it is the sole responsibility of the Foreign 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 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 Investors.

Scheme Specific Risk Factors

1. 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's portfolio, 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's portfolio.

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.

2. 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 endeavor 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's 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.

3. Term Structure of Interest Rates (TSIR) Risk

The NAV of the Scheme's Units, to the extent that the Scheme is 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.

4. Rating Migration Risk

Fixed income securities (excluding government 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.

5. Re-investment Risk

The investments made by the Scheme are subject to reinvestment risk. This risk refers to the interest rate levels at which maturity proceeds & cash flows received from the securities in the Scheme are reinvested. The risk is that the rate at which these cash flows can be reinvested may be lower than that originally assumed.

6. Risk associated with floating rate securities

To the extent the Scheme's 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's holdings until the next reset date and thus the value of the Scheme's 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 is invested in.

7. Risks Associated with Transaction in Units Through Stock Exchange Mechanism

In respect of transactions in Units of the Scheme through NSE and/or BSE and/or IEX or any other recognized stock exchange, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE and/or IEX or such other exchange and their respective clearing corporations on which the Mutual 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 and/or IEX or such other recognized exchange in this regard.

8. Risk associated with investments in repo of corporate debt securities

In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The repurchase price should be greater than the original sale price, the difference effectively representing interest. A repo is economically similar to a secured loan, with the buyer receiving corporate debt securities as collateral to protect against default. The Scheme may invest in repo of corporate debt securities which are subject to the following risks:

- a. **Counterparty Risk:** This refers to the inability of the seller to meet the obligation to buy back securities at the contracted price. The Investment Manager will endeavor to manage counterparty risk by dealing only with counterparties having strong credit profiles assessed through in-house credit analysis or with entities regulated by SEBI/RBI/IRDA
- b. **Collateral Risk:** In the event of default by the repo counterparty, the scheme has recourse to the corporate debt securities. Collateral risk arises when the market value of the securities is inadequate to meet the repo obligations. This risk is mitigated by restricting participation in repo transactions only in AA and above rated money market and corporate debt securities. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instrument.

9. Risk associated with derivatives

The Scheme may invest in fixed income derivatives for hedging and portfolio rebalancing or any other purposes as may be permitted under regulatory guidelines. The Scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative as may be permitted by SEBI / RBI / such other Regulatory Authority from time to time.

The use of derivatives may expose the 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:

- a. Counterparty Risk - this occurs when a counterparty fails to abide by its contractual obligations and therefore, the Schemes 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
- b. 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.
- c. Model Risk - the risk of mis-pricing or improper valuation of derivatives
- d. Basis Risk arises due to a difference in the price movement of the derivative vis-à-vis that of the security being hedged

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.

10. 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 lakhs, if the borrower has himself contributed Rs.10 lakhs and has taken only Rs. 10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 2 lakhs out of his own equity for a truck costing Rs. 20 lakhs. 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.

11. Risk Factors Associated with Imperfect Hedging using Interest Rate Futures:

- **Basis Risk** – risk associated with divergence in the price movement of the portfolio being hedged and the price movement of the derivative serving as the hedge e.g. a loss (gain) in the market value of bonds in the portfolio (or the part thereof that is being hedged), may be accompanied by a disproportionate gain (loss) in the market value of the derivatives being used to serve as the hedge. This imperfect correlation between the two investments creates the potential for excess gains or losses in a hedging strategy, thus adding risk to the position.
- **Mispricing Risk, or improper valuation** – market circumstances may necessitate unwinding the derivative positions at sub-optimal prices during periods of market dislocation triggered by contagion or tumult e.g. if the expected upward trajectory of yields reverses course and begins to spiral downward, most participants with short Interest Rate Futures positions are likely to seek an unwinding, leading to a potential amplification in the adverse price movement, and impact therefrom.

- **Correlation weakening, and consequent risk of regulatory breach** — SEBI regulation mandates minimum correlation criteria of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative serving as the hedge; in cases where this limit is breached (i.e. when the 90-day correlation falls below 0.9), a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement within the stipulated period due to difficulties in re-balancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value; leverage is not permitted as per SEBI guidelines.

B. RISK MANAGEMENT STRATEGIES

1. 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. Market Liquidity Risk will be managed actively within the portfolio liquidity limits.

2. 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.

3. Term Structure of Interest Rates (TSIR) Risk

The Investment Manager will endeavor to actively manage the duration based on the ensuing market conditions.

4. Rating Migration Risk

The endeavor 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.

5. Re-investment Risk

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

6. 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.

7. Risk associated with derivatives

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.

8. Risk associated with investments in repo of corporate debt securities

The Investment Manager will endeavor to manage counterparty risk in corporate debt repos by dealing only with counterparties having strong credit profiles. These could include SEBI regulated mutual funds, RBI regulated Banks, Non-Banking Finance Companies, Primary Dealers and IRDA regulated Insurance companies. Corporates for whom credit limits have been assigned are eligible counterparties. These corporates should have a minimum investment grade credit rating. For new counterparties, approval from Head - Risk will be taken and an assessment will be done by the Risk & Quantitative Analysis team.

The collateral risk is mitigated by restricting participation in repo transactions only in AA and above

rated money market and corporate debt securities, where potential for downgrade/ default is low. In addition, appropriate haircuts are applied on the market value of the underlying securities to adjust for the illiquidity and interest rate risk on the underlying instrument.

C. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme/Plans shall have a minimum of 20 investors each and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(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 associates of the Sponsors may invest either directly or indirectly in the Scheme and may acquire a substantial portion of the Schemes' 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 redemptions and may impact the ability of other Unit Holders to redeem their respective Units.
- As the liquidity of the Schemes' 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 Schemes' 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 Scheme Information Document 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 provides investment management and trade execution related services to offshore sovereign funds. The AMC also provides a non-binding advisory services to the offshore funds/ offshore investment manager, who is managing an offshore fund which will invest through FPI route. The AMC provides investment management services to DSP ICAV, an umbrella type Irish Collective Asset-management Vehicle. The AMC is the holding company to DSP Pension Fund Managers Private Limited (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 Private Limited, 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 such suspicious transactions to competent authorities under PMLA and rules/guidelines issued there under 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 there under 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(s) 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 Schemes 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 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 : May 28, 2021

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

The aforesaid Due Diligence Certificate was submitted to the Securities and Exchange Board of India.

SECTION V - INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An open ended low duration debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 6 months and 12 months (please refer page no. 20 under the section “Where will the Scheme invest?” for details on Macaulay’s Duration)

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. 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, the asset allocation of the Scheme will be as follows:

Instruments	Indicative Allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Debt* and Money market securities	0%	100%	Low to Medium

*Debt securities may include securitised debts up to 50% of the net assets.

The Scheme will invest in Debt and Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months.

the cumulative gross exposure through debt, derivative positions (including fixed income derivatives), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

The Scheme shall not invest in foreign debt securities.

The Scheme will participate in repo of money market and corporate debt securities.

The Scheme will not engage in short selling of securities and securities lending and borrowing.

The Scheme may invest in derivatives upto 100% of net assets.

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:

- (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 invest 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, investing 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 invest more than 10% of its 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 invested 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.

In the event of any deviations, the Investment Manager shall rebalance the portfolio within 30 days from the date of said deviation. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Schemes. 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 Scheme will invest in debt and money market securities, which 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, financial institutions, corporate entities.
- Money market securities include 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, Tri Party REPO (TREPs) repurchase agreement (repo), reverse repurchase agreement (rev-repo), Bills Rediscounting Scheme (BRDS) and any other like instruments as specified by the Reserve Bank of India from time to time
- Units of Mutual funds for cash and liquidity management.

Concept of Macaulay Duration

In the bond market, securities are commonly referred to by their maturities. While this is a useful benchmark, it is deficient, because it measures only when the final cash flow is paid and ignores all of the interim flows.

Duration was first described by Frederick Macaulay in 1938. In the last 50 years, it has become one of the most commonly used tools for fixed income portfolio managers.

Macaulay's duration of a fixed income security is the weighted average life of the security, where weights are given to present value of each cashflows. It is a measure of sensitivity to interest rate changes i.e. it relates the percent change in the price of a cash flow to the percent change in the yield to maturity.

Fixed income securities with higher duration have higher interest rate sensitivity i.e. the changes in price of higher duration bonds are higher as compared to lower duration ones. A zero coupon bond is one which does not pay any interest and all payments are received at maturity. For a zero coupon bond, the duration is same as residual maturity.

The formula for Macaulay's Duration is as follows:

$$\text{Macaulay's Duration} = \frac{t_1 * \frac{CF_1}{(1+r_1)^{t_1}} + t_2 * \frac{CF_2}{(1+r_2)^{t_2}} + t_3 * \frac{CF_3}{(1+r_3)^{t_3}} + \dots + t_n * \frac{CF_n}{(1+r_n)^{t_n}}}{\frac{CF_1}{(1+r_1)^{t_1}} + \frac{CF_2}{(1+r_2)^{t_2}} + \frac{CF_3}{(1+r_3)^{t_3}} + \dots + \frac{CF_n}{(1+r_n)^{t_n}}}$$

In other words, Macaulay's Duration can be expressed as:

$$\text{Macaulay's Duration} = \frac{\sum_{i=1}^n t_i * \frac{CF_i}{(1+r)^{t_i}}}{\sum_{i=1}^n \frac{CF_i}{(1+r)^{t_i}}}$$

Please note that the denominator is also the formula for Present Value of cash flows of a security i.e. Price of the Bond.

where t_i is time in years at point i
 CF_i is the Cash Flow at time, t_i
 r_i is the interest rate used for discounting cash flow at time, t_i

Another measure of interest rate risk for securities and other interest bearing instruments is Modified Duration. With a slight modification, Macaulay's Duration is converted into Modified Duration; it provides a good estimate of the volatility or sensitivity of the market value of a bond portfolio to changes in interest rates. The formula for Modified Duration is:

$$\text{Modified Duration} = \frac{\text{Macaulay's Duration}}{[1 + \frac{YTM}{n}]}$$

where,
 YTM = Yield to maturity
 n = number of cash flows in a year

$$\text{Change in Price of Bond} = -\text{Modified Duration} * 1bp$$

Modified Duration assumes that the price changes are linear with respect to changes in the yield to maturity. However, the true relationship between the bond's price and the yield to maturity is not linear.

Investment in Domestic Securitized Debt

Depending upon the Investment Manager's views, the Schemes 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 and in line with internal fund manager guidelines 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 undertaken 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.
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.
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%

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Others
* 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 shall not invest in foreign securitized debt.

Investments in derivatives

SEBI vide its circular no. MFD/CIR/011/061/2000 dated February 1, 2000 has permitted all the mutual funds to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the mutual funds may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest.

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.

The fixed Income derivative market has made considerable progress in last two years. Interest rate swaps have become an integral part of Risk Management practice for most banks. Corporate Treasury have issued Innovative instruments like floating rate debt and constant maturity swaps.

1. 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 : 8.50% 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 8.15% 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. 4,23,83,562 = (Rs.100,00,00,000) x (8.50%) x (182 Days / 365 Days)

Variable rate payment:

Rs. 4,06,38,356 = (Rs.100,00,00,000) x (8.15%) 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. 17,45,205 = Rs. 4,23,83,562 - Rs. 4,06,38,356.

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.

2. 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.

3. 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.

The overall gross exposure for a fund is computed as sum of exposure to equity, cash, debt instruments and derivatives (other than for hedging purposes) and it should not be more than 100%. Derivative position is considered to be for hedging purposes only if the following conditions are met:

1. Perfect Hedging - We hedge the underlying using IRF contract of same underlying

2. Imperfect hedging - the Underlying being hedged and the IRF contract has a 90 day correlation of closing prices of more than 90%. In case of correlation breaking at any time the derivative position would be counted as an exposure. SEBI allows maximum of 20% imperfect hedging.

For example, assume a portfolio comprising the following structure:

Security	Amount (crs)	Price (Rs)
IGB 6.79% 2027	100	100.40
IGB 6.79% 2029	50	98.35
IGB 7.72% 2025	25	104.55
Cash	25	
Total	200	

Assuming the fund manager intends to hedge the portfolio using IRF and uses contracts on IGB 6.79% 2027 as it is most liquid.

Maximum imperfect hedging allowed, based on SEBI limit of 20% for the above fund is $200 \times 20\% = 40$ crs

Maximum perfect hedging using 6.79% 2027 is 100 crs (as amount of 6.79% 2027 in the fund is 100 crs)

Total hedge the fund can do = 100 crs + 40 crs = 140 crs

Assuming the 90 day historical correlation between the instruments in the portfolio are as follows

90 day historical correlation	IGB 6.79% 2027	IGB 6.79% 2029	IGB 7.72% 2025
IGB 6.79% 2027	1	0.95	0.80
IGB 6.79% 2029	0.95	1	0.75
IGB 7.72% 2025	0.80	0.75	1

Given that we are using IRF on 6.79% 2027, we can hedge 6.79% 2029 using IRFs as correlation is more than 90% upto 40 crs (based on the 20% limit of imperfect hedging).

Since one contract of IRF has a notional of Rs. 2 lakhs, in this example the fund manager sells Rs. 140 crores/2 lakhs = 7000 contracts, to hedge his position.

Hence after hedging the fund is as shown below:

Security	Amount (crs)	Price (Rs)	Comments
IGB 6.79% 2027	100	100.40	100% hedged - Perfect hedging
IGB 6.79% 2029	50	98.35	40% hedged - Imperfect hedging
IGB 7.72% 2025	25	104.55	Unhedged
Cash	25		Unhedged
IRF 6.79% 2027	140	100.35	
Total	200		

At maturity of the Interest Rate Futures

Case 1: bonds close higher than at the time the hedge was entered into

Security	Amount (crs)	Price before hedging(Rs)	Price on maturity of hedge (Rs)	Gain	Net Gain (lakhs)
IGB 6.79% 2027	100	100.4	100.5	0.1	10.00
IGB 6.79% 2029	50	98.35	98.5	0.15	7.50
IGB 7.72% 2025	25	104.55	104.6	0.05	1.25
Cash	25				-
Without IRF					18.75
IRF 6.79% 2027	140	100.35	100.5	-0.15	(21.00)
Total With IRF	200				(2.25)

Case 2: bonds close lower than at the time the hedge was entered into

Security	Amount (crs)	Price before hedging	Price on maturity of hedge (Rs)	Gain	Net Gain (lakhs)
IGB 6.79% 2027	100	100.4	100.3	-0.1	(10.00)
IGB 6.79% 2029	50	98.35	98.23	-0.12	(6.00)
IGB 7.72% 2025	25	104.55	104.5	-0.05	(1.25)
Cash	25				-
Without IRF					(17.25)
IRF 6.79% 2027	140	100.35	100.3	0.05	7.00
Total with IRF	200				(10.25)

As can be seen in the cases above, in case yields move higher, IRFs help in reducing the loss to the fund.

With respect to investments made in derivative instruments, the Scheme shall comply with the following exposure limits in line with SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010 read with Circular SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021:

- The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. However, the following shall not be considered while calculating the gross exposure:
 - Security-wise hedged position and
 - Exposure in cash or cash equivalents with residual maturity of less than 91 days
- The total exposure related to option premium must not exceed 20% of the net assets of the Scheme.
- 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.
 - c. Exposure due to such positions shall have to be added and treated under limits mentioned in Point 1.
 - d. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - e. 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

Investments in repo of corporate debt securities

Guidelines for participation of mutual funds in Repo in money market and corporate debt securities.

SEBI has vide circular no. CIR / IMD / DF / 19 / 2011 dated November 11, 2011 enabled mutual funds to participate in repos in corporate debt securities as per the guidelines issued by RBI from time to time and subject to few conditions listed in the circular. Accordingly, the Scheme may participate in Repo in money market and corporate debt securities in accordance with directions issued by RBI and SEBI from time to time and in accordance with guidelines framed by the Board of AMC and Trustee Company in this regard.

Conditions applicable: -

- The net exposure of any Mutual Fund scheme to repo transactions in money market (except for Repo in Government Securities & Treasury Bills) and corporate debt securities shall not be more than 10 % of the net assets of the Scheme.
- cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme.

- Mutual funds shall participate in repo transactions only in AA and above rated money market and corporate debt securities.

These conditions will be subject to any revisions announced by SEBI from time to time.

Other Guidelines

i. Category and credit rating of counter party:

1. SEBI regulated mutual funds
2. RBI regulated Banks, Non-Banking Finance Companies, Primary Dealers
3. IRDA regulated Insurance companies
4. Corporates for whom credit limits have been assigned are eligible counterparties. These corporates should have a minimum investment grade credit rating. For new counterparties, approval from Head - Risk will be taken and an assessment will be done by the Risk & Quantitative Analysis team.

ii. Tenor of collateral: <=20 years for corporate debt securities.

iii. Applicable haircuts: RBI, in its circular no. IDMD.PCD. 09 /14.03.02 /2012-13 dated January 7, 2013 prescribed the following minimum haircuts on the market value of the underlying security:

- a. AAA rated: 7.5%
- b. AA+ rated: 8.5%
- c. AA rated: 10%

The above haircuts are subject to change based on how market practice evolves with respect to corporate bond repo. Prior approval of the Investment committee shall be sought for change in the haircut from existing % to such other % as deemed fit.

iv. Valuation of repo assets: At cost.

Any other instruments/securities as may be permitted by RBI/SEBI/such other Regulatory Authority from time to time.

Overview of Corporate Debt Market in India

The Indian bond market comprises mainly of Government securities, bond issued by Public Sector Undertakings (PSU), Development Financial Institutions (DFI) and Infrastructure-related agencies, debentures and money market instruments issued by the corporate sectors and banks.

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, FITCH and Brickworks. They constitute reasonable amount of the trading volume on the Wholesale Debt Market platform of National Stock Exchange. 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.

Indian private sector banks routinely issue Certificate of Deposits to investors at attractive rates. They are less liquid when compared to Treasury Bills but more liquid as compared to commercial papers.

Commercial papers are compulsorily rated by rating agencies such as CRISIL, ICRA, CARE, FITCH and Brickworks. They are issued for a tenor ranging from 7 days to 364 days. They are mostly issued in dematerialised form. Commercial papers are relatively liquid instruments.

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 26 Mar 2021, total outstanding treasury bills (including cash management bills) are Rs. 6,94,472 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 12 Mar 2021, outstanding Certificate of Deposits are Rs. 57,410 crore*. Certificate of deposits currently trade at a spread of around 20 basis points** over comparable treasury bills as on 31 Mar 2021, 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 2021, total outstanding Commercial Papers are Rs. 4,03,443 crore*. Commercial papers trade at around 65 basis points** over comparable treasury bills as on 31 Mar 2021, 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, April 02, 2021

** Internal estimates

E. WHAT ARE THE INVESTMENT STRATEGIES?

The Investment Manager will invest in those debt securities that are rated investment grade by credit rating agencies or in unrated debt securities, which the Investment Manager believes to be of equivalent quality. In-house research by the Investment Manager will emphasize on credit analysis, in order to determine credit risk.

The investment process follows a top down approach taking into account aspects like interest rate view, term structure of interest rates, systemic liquidity, RBI's policy stance, inflationary expectations, Government borrowing program, fiscal deficit, global interest rates, currency movements, etc.

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

- An open ended low duration debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 6 months and 12 months (please refer page no. 20 under the section "Where will the Scheme invest" for details on Macaulay's Duration)

(ii) Investment Objective

- Main Objective - Please refer "Information about 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(s) and the Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and 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 Net Asset Value without any exit load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

NIFTY Low Duration Debt Index

The Investment Manager has selected NIFTY Low Duration Debt Index, as the relevant benchmark of the Scheme since the weighted average maturity of the Scheme is expected to be between 6 months and 1 year. The composition of the aforesaid benchmark is such that it is most suited for comparing the performance of the Scheme. The Trustee may change the benchmark of the Scheme in future, if a benchmark better suited to the investment objective of that Scheme, is available at such time.

H. WHO WILL MANAGE THE SCHEME?

Fund Manager	Age	Tenure	Qualifications	Brief Experience	Other Scheme managed
Mr. Kedar Karnik	40 years	4 years 8 months (managing scheme since July 2016)	MMS (Finance), BE (Electronics & Telecommunications)	Over 15 years of experience as detailed under: From July 2016 till date - Fund Manager, Fixed income, DSPIM From September 2012 to June 2016, Fund Manager - Fixed Income, Axis Asset Management Company Ltd. From July 2008 to September 2012, Fund Manager - Fixed Income, HSBC Asset Management (India) Private Limited From September 2005 to July 2008, Manager - Ratings, CRISIL Ltd.	DSP Ultra Short Fund, DSP Overnight Fund, DSP Savings Fund, DSP Liquidity Fund, DSP US Flexible* Equity Fund, DSP Global Allocation Fund, DSP Arbitrage Fund
Mr. Laukik Bagwe	44 years	8 months (Managing this Scheme since July 2020)	B.Com., PGDBA (Finance)	Over 20 years of experience in Fixed Income Market as detailed under: From November 2007 to Current: Vice President - DSPIM. From November 2003 to October 2007 - Derivium Capital & Securities	DSP Credit Risk Fund, DSP Short Term Fund, DSP Global Allocation Fund, DSP US Flexible* Equity Fund, DSP Fixed Maturity Plans

				Private Limited - Head Fixed Income Trading - SLR & NONSLR Broking. From June 2000 to October 2003 - Birla Sunlife Securities Ltd. - Manager - SLR & NONSLR Broking.	
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*The term “Flexible” in the name of the Scheme signifies that the Investment Manager of the Underlying Fund can invest either in growth or value investment characteristic securities placing an emphasis as the market outlook warrants

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 and Investment Pattern described earlier, as well as the SEBI (MF) Regulations, including Schedule VII thereof, as amended from time to time.

Subject to the asset allocation table under Section V Part C of this document, the following investment restrictions are presently applicable:

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 triparty repo on Government securities or treasury bills.
Provided further that investment within such limit can be made in mortgaged backed securitised debt 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. Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed in SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2020/202 dated October 08, 2020 and amendments made from time to time. Also 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.
5. The Scheme may invest in another scheme (except fund of funds Schemes) 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.
6. The Scheme shall not invest in Fund of Funds scheme.
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 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. The Scheme may not engage in short selling of securities and securities lending and borrowing.
9. The Scheme will not invest in foreign securities.
10. The Mutual Fund shall get the securities purchased/transferred in the name of the Mutual Fund on account of the Scheme, wherever the instruments are intended to be of a long term nature.
11. Pending deployment of funds of the Scheme in terms of the investment objective of the Scheme, the Mutual Fund may invest them in short term deposits of scheduled commercial banks, in terms of SEBI circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007 and 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, subject to the following conditions:
 - 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.

12. The Scheme shall not make any investment in:
 - a. any unlisted security of any associate or group company of the Sponsors; or
 - b. any security issued by way of private placement by an associate or group company of the Sponsors; orthe listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets.
13. Save as otherwise expressly provided under SEBI (MF) Regulations, the Mutual Fund shall not advance any loans for any purpose and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of payment of interest or IDCW to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets 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 Scheme 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 total exposure of all Debt oriented Schemes in a particular sector (excluding investments in Bank CDs, TREPAs, 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.
16. 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.

17. 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.
18. As per Point C (1) of SEBI circular SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, the cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the 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
19. The net exposure of the Scheme to repo transactions incorporate debt securities shall not be more than 10 % of the net assets of the Scheme.
20. The Scheme will comply with any other Regulation applicable to the investments of mutual funds from time to time.
21. As per SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021 -
 - i. No Mutual Fund under all its schemes shall own more than 10% of debt instruments having Special Features issued by a single issuer.
 - ii. A scheme shall not invest -
 - a. more than 10% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features; and
 - b. more than 5% of its NAV of the debt portfolio of the scheme in debt instruments having Special Features issued by a single issuer.The above investment limit for a scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.
22. The Scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. In case, the exposure in such liquid assets / securities falls below the threshold mandated above, the AMC shall ensure compliance with the above requirement before making any further investments.

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, there are internal risk parameters for limiting exposure to a particular security, country or sector. Such parameters are prescribed from time to time to respond to the dynamic market conditions and market opportunities.

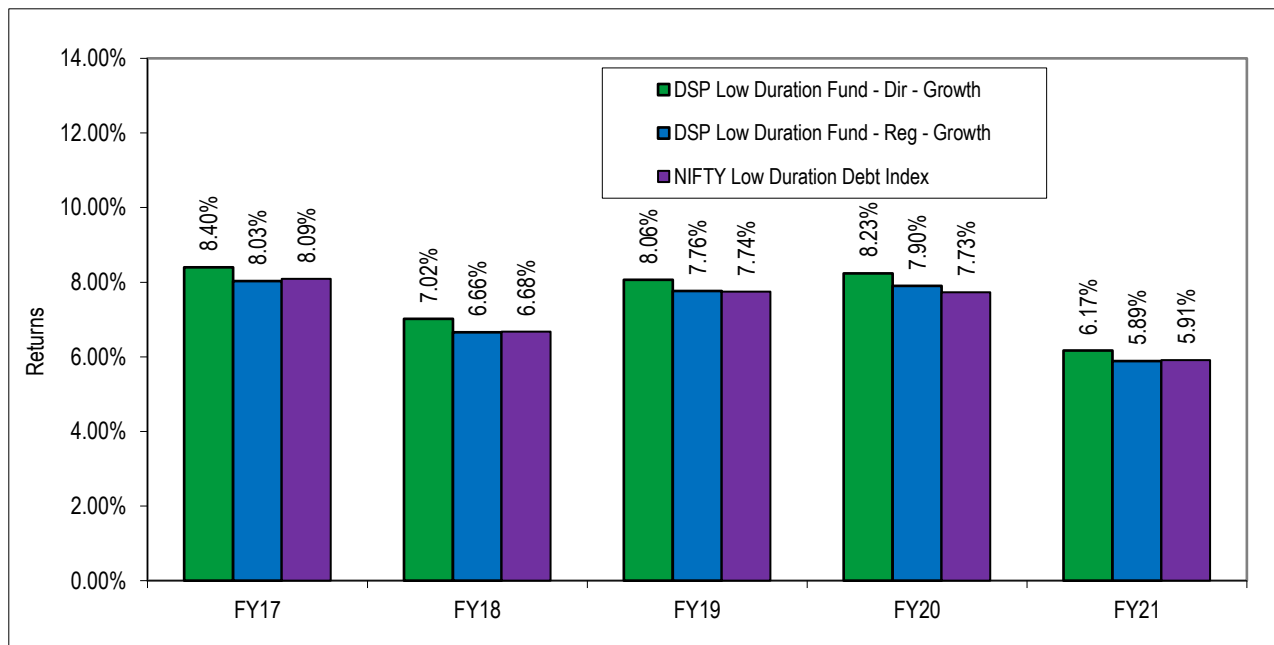
The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.

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

J. HOW HAS THE SCHEME PERFORMED?

The Regular Plan and Direct Plan 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.

(a) Absolute Returns



Returns are for Regular/Direct Plan under Growth Option of the scheme and 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, 2021

Period	DSPLDF - Regular Plan	NIFTY Low Duration Debt Index	DSPLDF - Direct Plan	NIFTY Low Duration Debt Index
Last 1 Year	5.89%	5.91%	6.17%	5.91%
Last 3 Year	7.15%	7.10%	7.46%	7.10%
Last 5 Year	7.24%	7.22%	7.57%	7.22%
Since Inception	7.52%	7.43%	7.86%	7.43%
Nav/ Index value	15.5250	4,295.72	15.8241	4,295.72
Date of allotment	10-Mar-15			

Benchmark got changed to NIFTY Low Duration Debt Index with effect from December 1, 2019 .

Note: As per the SEBI standards for performance reporting, the “since inception” returns are calculated on Rs. 10/- invested at inception. For this purpose, the inception date is deemed to be the date of allotment. The “Returns” shown are for the growth option. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** All benchmark returns are computed basis on 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 31st March 2021)	% of Scheme
Government of India	27.92%
LIC Housing Finance Limited	7.15%
National Bank for Agriculture and Rural Development	6.94%
Housing Development Finance Corporation Limited	6.01%
Reliance Industries Limited	5.87%
Clearing Corporation of India Ltd.	5.76%
National Highways Authority of India	5.69%
Axis Bank Limited	5.30%
Power Finance Corporation Limited	5.14%
REC Limited	5.03%

Link to the scheme’s latest monthly portfolio holding

<https://www.dspim.com/mandatory-disclosures/portfolio-disclosures>

SECTOR ALLOCATION

Sector wise break up (As on 31-Mar-2021)

DSP Low Duration Fund	
Sector	% of Scheme
FINANCIAL SERVICES	50.64%
G-Sec	27.92%
OIL & GAS	8.67%
TREPS / Reverse Repo / Corporate Debt Repo	5.76%
CONSTRUCTION	5.69%
POWER	5.04%
Net Receivables/Payables	-3.71%
Grand Total	100.00%

Portfolio Turnover Ratio: N.A

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

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
DSP Ultra Short Fund	The primary investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. There is no assurance that the investment objective of the Schemes will be realized.	Debt* and Money market securities: 0% - 100% *Debt securities may include securitised debts up to 50% of the net assets The Scheme will invest in Debt and Money Market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months.	5648	43401	1,470.05	2,039.45
DSP 10Y G-Sec Fund	The investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio of Government Securities such that the Macaulay duration of the portfolio is similar to the 10 Year benchmark government security. There is no assurance that the investment objective of the Schemes will be realized.	Government Securities: 80% - 100% TRI-PARTY REPO/repo or any other alternatives as may be provided by RBI: 0% - 20%	1737	714	24.87	19.80
DSP Strategic Bond Fund	The primary investment objective of the Scheme is to seek to generate optimal returns with high liquidity through	Money market securities and/or Debt Securities* which have residual or average maturity of less	4615	3158	475.01	345.24

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	active management of the portfolio by investing in high quality debt and money market securities. There is no assurance that the investment objective of the Schemes will be realized.	than or equal to 367 days or have put options within a period not exceeding 367 days: 0% - 100% Debt securities* which have residual or average maturity of more than 367 days: 0% - 100% *Debt securities may include securitised debts up to 75% of the net assets.				
DSP Banking & PSU Debt Fund	The primary investment objective of the Scheme is to seek to generate income and capital appreciation by primarily investing in a portfolio of high quality debt and money market securities that are issued by banks and public sector entities/undertakings. There is no assurance that the investment objective of the Schemes will be realized.	Money market and debt securities issued by banks and public sector undertakings, public financial institutions and Municipal Bonds: 80% - 100% Government securities, Other debt and money market securities including instruments/securities issued by Non-bank financial companies (NBFCs): 0% - 20%	5043	8691	2,169.69	1,410.45
DSP Government Securities Fund	The primary objective of the Scheme is to generate income through investment in Central Government Securities of various maturities.	Central Government Securities, repos/ reverse repos in Central Government Securities as may	16971	6381	274.16	169.07

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	There is no assurance that the investment objective of the Schemes will be realized.	be permitted by RBI: 80% - 100% Call money market or alternative investment for call money market as may be provided by the Reserve Bank of India: 0% - 20%				
DSP Credit Risk Fund	The primary investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. There is no assurance that the investment objective of the Schemes will be realized.	Investment in corporate bonds which are AA\$ and below rated instruments: 65% - 100% Investment in other debt* and money market instruments: 0% - 35% Units issued by REITs/InviTs: 0% - 10% \$ excludes AA+ rated corporate bonds *Debt securities may include securitised debts up to 35% of the net assets.	1099	6829	79.62	203.16
DSP Savings Fund	The primary investment objective of the Scheme is to generate income through investment in a portfolio comprising of money market instruments with maturity less than or equal to 1 year. There is no assurance that the investment objective of the	Money market securities having maturity of less than or equal to 1 year: 0% - 100%	29343	5157	1,117.9 1	746.96

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	Schemes will be realized.					
DSP Liquidity Fund	<p>The primary investment objective of the Scheme is to seek to generate a reasonable return commensurate with low risk and a high degree of liquidity, from a portfolio constituted of money market securities and high quality debt securities.</p> <p>There is no assurance that the investment objective of the Schemes will be realized.</p>	<p>Money market securities and/or Debt securities* with maturity of 91 days: 80% - 100%</p> <p>*Debt securities may include securitised debts up to 30% of the net assets.</p>	18171	31783	7,379.48	4,185.75
DSP Bond Fund	<p>The primary investment objective of the Scheme is to seek to generate an attractive return, consistent with prudent risk, from a portfolio which is substantially constituted of high quality debt securities, predominantly of issuers domiciled in India. This shall be the fundamental attribute of the Scheme. As a secondary objective, the Scheme will seek capital appreciation. The Scheme will also invest a certain portion of its corpus in money market securities, in order to meet liquidity requirements from time to time.</p>	<p>Under normal circumstances:</p> <p>*Debt and Money market securities: 0% - 100%</p> <p>Units issued by REITs/InvITS: 0% - 10%</p> <p>* Debt securities may include securitised debts up to 50% of the net assets.</p> <p>The Scheme will invest in Debt and Money Market instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years.</p>	991	2577	132.77	231.96

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	There is no assurance that the investment objective of the Schemes will be realized.	Under anticipated adverse Circumstances : The Scheme will invest in Debt and Money Market instruments such that the Macaulay duration of the portfolio is between 1 year and 4 years.				
DSP Regular Savings Fund	The primary investment objective of the scheme is to seek to generate income, consistent with prudent risk, from a portfolio which is substantially constituted of quality debt securities. The Scheme will also seek to generate capital appreciation by investing a smaller portion of its corpus in equity and equity related securities of issuers domiciled in India. There is no assurance that the investment objective of the Schemes will be realized.	*Debt and Money Market Securities: 75% - 90% Equity and equity related securities: 10% - 25% Units issued by REITs/InvITS: 0% - 10% *Debt securities may include securitized debts upto 50% of the net assets.	534	5932	8.82	177.18
DSP Short Term Fund	The primary investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. There is no assurance that the investment	Debt* and Money market securities: 0% - 100% *Debt securities may include securitised debts up to 50% of the net assets.	3902	11223	2,444.83	957.92

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	objective of the Schemes will be realized.					
DSP Low Duration Fund	The investment objective of the Scheme is to seek to generate returns commensurate with risk from a portfolio constituted of money market securities and/or debt securities. There is no assurance that the investment objective of the Schemes will be realized.	Debt* and Money market securities: 0% - 100% *Debt securities may include securitised debts up to 50% of the net assets.	4332	17746	2,441.64	1,706.41
DSP Corporate Bond Fund	The primary investment objective of the Scheme is to seek to generate regular income and capital appreciation commensurate with risk from a portfolio predominantly investing in corporate debt securities across maturities which are rated AA+ and above, in addition to debt instruments issued by central and state governments and money market securities. There is no assurance that the investment objective of the Scheme will be realized.	Corporate Bonds (including securitized debt) which are rated AA+ and above: 80% to 100% Corporate Bonds (including securitized debt) which are rated AA and below: 0% to 20% Money Market Instruments and Debt Instruments issued By Central And State Governments: 0% to 20% Units issued by REITs and InvITs: 0% to 10%	3220	3370	1,450.45	829.39
DSP Overnight Fund	The primary objective of the scheme is to seek to generate returns commensurate with low risk and providing high level of	Debt Securities* and Money Market Instruments* with maturity upto 1 business day: 0% to 100%	952	2758	819.70	339.89

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
	liquidity, through investments made primarily in overnight securities having maturity of 1 business day. There is no assurance that the investment objective of the Scheme will be realized.	*Instruments with residual maturity not greater than 1 business day, including money market instruments, Tri-party Repo/reverse repo, debt instruments, including floating rate instruments.				
DSP Floater Fund	The primary objective of the scheme is to generate regular income through investment predominantly in floating rate and fixed rate debt instruments (including money market instruments). However, there is no assurance that the investment objective of the scheme will be realized.	Floating Rate Debt Securities (including fixed rate Securities* converted to floating rate exposures using swaps/derivatives) - 65% to 100% Fixed Rate Debt Securities (including money market instruments**)- 0% to 35% *Fixed rate Debt Securities constitute those securities issued by Central and / or State Government. **Money Market instruments includes Tri Party Repo/Repo/Reverse Repo (including corporate bond repo), commercial papers, commercial bills, treasury bills, Government securities having	1387	1389	621.88	236.17

Scheme Name	Investment Objective	Asset Allocation	Number of Folios (March 31, 2021)		AUM as on March 31, 2021 (Rs. in crores)	
			Direct Plan	Regular Plan	Direct Plan	Regular Plan
		an unexpired maturity up to one year, call or notice money, certificate of deposit, and any other like instruments as specified by the Reserve Bank of India from time to time.				

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

L. CREATION OF SEGREGATED PORTFOLIO IN CASE OF CREDIT EVENT:

Creation of segregated portfolio shall be subject to guidelines specified by SEBI from time to time and includes the following:

- 1) Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:
 - a) Downgrade of a debt or money market instrument to 'below investment grade', or
 - b) Subsequent downgrades of the said instruments from 'below investment grade', or
 - c) Similar such downgrades of a loan rating

In case of unrated debt or money market instruments of an issuer that does not have any outstanding rated debt or money market instruments, actual default of either the interest or principal amount by the issuer of such instruments shall be considered as a Credit Event for creation of Segregated Portfolio.

- 2) In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as mentioned above and implemented at the ISIN level.
- 3) Creation of segregated portfolio is optional and is at the discretion of the AMC. It shall be created only if the Scheme Information Document (SID) of the scheme has provisions for segregated portfolio with adequate disclosures.

Process for Creation of Segregated Portfolio:

- 1) On the date of credit event, AMC should decide on creation of segregated portfolio. Once AMC decides to segregate portfolio, it should:
 - a) seek approval of trustees prior to creation of the segregated portfolio.
 - b) immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors. The Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release will be prominently disclosed on the website of the AMC.

- c) ensure that till the time the trustee approval is received, which in no case shall exceed 1 business day from the day of credit event, the subscription and redemption in the scheme will be suspended for processing with respect to creation of units and payment on redemptions.
- 2) Once Trustee approval is received by the AMC:
 - a) Segregated portfolio will be effective from the day of credit event
 - b) AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information will also be submitted to SEBI.
 - c) An e-mail or SMS will be sent to all unit holders of the concerned scheme.
 - d) The NAV of both segregated and main portfolios will be disclosed from the day of the credit event.
 - e) All existing investors in the scheme as on the day of the credit event will be allotted equal number of units in the segregated portfolio as held in the main portfolio.
 - f) No redemption and subscription will be allowed in the segregated portfolio. However, upon recovery of any money from segregated portfolio, it will be immediately distributed to the investors in proportion to their holding in the segregated portfolio.
 - g) AMC should enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests
 - h) Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
 - 3) If the trustees do not approve the proposal to segregate portfolio, AMC will issue a press release immediately informing investors of the same.
 - 4) In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

Processing of Subscription and Redemption Proceeds:

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as under:

- i. Upon trustees' approval to create a segregated portfolio -
 - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
 - Investors subscribing to the scheme will be allotted units only in the main portfolio based on its NAV.
- ii. In case trustees do not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

TER for the Segregated Portfolio

- 1) AMC will not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in segregated portfolio.
- 2) The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence. In addition to the TER mentioned above, the legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio as mentioned below.
- 3) The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within

the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.

- 4) The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Explanations:

- 1) The term 'segregated portfolio' means a portfolio, comprising of debt or money market instrument affected by a credit event that has been segregated in a mutual fund scheme.
- 2) The term 'main portfolio' means the scheme portfolio excluding the segregated portfolio.
- 3) The term 'total portfolio' means the scheme portfolio including the securities affected by the credit event.

Risks associated with segregated portfolio

1. Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
2. Security comprises of segregated portfolio may not realise any value.
3. Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

Disclosure Requirements:

In order to enable the existing as well as the prospective investors to take informed decision, the following shall be adhered to:

- a. A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- b. Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Mutual Fund and the Scheme.
- c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on daily basis.
- d. The information regarding number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, AMC and AMFI websites, etc.
- e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.
- f. The disclosures at paragraph 7(d) and 7(e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Monitoring by Trustees:

- a. In order to ensure timely recovery of investments of the segregated portfolio, trustees shall ensure that:
 - i. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
 - ii. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of

- the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- iii. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every trustee meeting till the investments are fully recovered/ written-off.
 - iv. The trustees shall monitor the compliance of this circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.
- b. In order to avoid mis-use of segregated portfolio, trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

Illustration of Segregated Portfolio

Portfolio Date 31-Mar-19

Downgrade Event Date 31-Mar-19

Downgrade Security 7.65% C Ltd from AA+ to B

Valuation Marked Down 25%

Mr. X is holding 1000 Units of the Scheme, amounting to (1000*15.0573) Rs.15057.30

Portfolio on the date of Downgrade Event

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.5139	3182.00	21.133
7.65 % C Ltd	CRISIL B*	NCD	3200000	73.843	2362.97	15.693
D Ltd (15/May/2019)	ICRA A1+	CP	3200000	98.3641	3147.65	20.904
7.65 % E LTD	CRISIL AA	NCD	3000000	98.6757	2960.27	19.660
Cash / Cash Equivalents					114.47	0.760

Net Assets 15057.34
Unit Capital (no of units) 1000.00
NAV 15.0573

* Marked down by 25% on the date of credit event. Before Marked down the security was valued at Rs.98.4570 per unit
On the date of credit event i.e. on 31st March 2019, NCD of C Ltd (7.65%) will be segregated as separate portfolio.

Main Portfolio as on 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.80% A FINANCE LTD	CRISIL AAA	NCD	3200000	102.812	3289.98	21.850
7.70 % B LTD	CRISIL AAA	NCD	3230000	98.5139	3182.00	21.133
D Ltd (15/May/2019)	ICRA A1+	CP	3200000	98.3641	3147.65	20.904

7.65 %E LTD	CRISIL AA	NCD	3000000	98.6757	2960.27	19.660
Cash / Cash Equivalents					114.47	0.760

Net Assets	12694.37
Unit Capital (no of units)	1000.00
NAV	12.6944

Segregated Portfolio as on 31st March 2019

Security	Rating	Type of the Security	Qty	Price Per Unit	Market Value (Rs. in Lacs)	% of Net Assets
7.65 % C Ltd	CRISIL B*	NCD	3200000	73.843	2362.97	15.693

Unit Capital (no of units)	1000.00
NAV	2.3630

Value of Holding of Mr. X after creation of Segregated Portfolio

Particulars	Segregated Portfolio	Main Portfolio	Total Value
No of units	1000	1000	
NAV	2.3630	12.6944	
Total value	2362.97	12694.33	15057.30

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 March 11, 2015.

2. Plans and Options offered under the Scheme

Plan	Options Available	Sub-Option	Income Distribution Cum Withdrawal Frequency/Record Date
Regular Plan and Direct Plan	Growth	-	-
	^Daily Distribution cum Capital Withdrawal (IDCW)	Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)	Daily
	Weekly Distribution cum Capital Withdrawal (IDCW)	Payout of Income Distribution cum Capital Withdrawal (IDCW) & Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)	Every Wednesday
	^Monthly Distribution cum Capital Withdrawal (IDCW)	Payout of Income Distribution cum Capital Withdrawal (IDCW) & Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)	28th of each month#'
	^Quarterly Distribution cum Capital Withdrawal (IDCW)	Payout of Income Distribution cum Capital Withdrawal (IDCW) & Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)	At the discretion of Trustee

All the Plans and option under the Scheme will have common portfolio.

If 28th is not a Business Day, the record date shall be the immediately preceding Business Day

^All subscription/switch-in application(s) and/or registration of new Systematic Investment Plan, Systematic Transfer Plan and Transfer of Income Distribution cum Capital Withdrawal Plan in above mentioned options offered by the scheme shall be suspended with effect from April 1, 2021.

Investors may note that under Income Distribution cum Capital Withdrawal options the amounts can be distributed out of investor's capital (Equalization Reserve), which is part of sale price that represents realized gains.

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.

4. IDCW Policy

i) Growth Option

Under this option, the Mutual Fund will not declare any IDCW. 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 36 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” in the SAI.

(ii) Monthly IDCW/ Weekly IDCW/ Quarterly IDCW

The above options are suited for investors seeking income through IDCW declared by the Scheme. Only Unit Holders opting for such option(s) will receive IDCW. Under these options, the Scheme envisage declaring IDCW comprising substantially of net income and realized gains. The options stated in point (ii) above, in turn offer two sub-options i.e. “Payout of IDCW” or “Reinvest of IDCW”.

• Payout of IDCW

As per the SEBI (MF) Regulations, the Mutual Fund shall dispatch to the Unit Holders, IDCW warrants within 15 days from record date for IDCW. IDCW will be payable to those Unit Holders whose names appear in the Register of Unit Holders on the date (Record Date). IDCW will be paid by cheque, net of taxes as may be applicable. Unit Holders will also have the option of direct payment of IDCW 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 IDCW cheques, investors should provide the name of their bank, branch and account number in the application form. IDCW cheques will be sent to the Unit Holder after incorporating such information.

If the IDCW amount payable to Unit holders (net of tax deducted at source, wherever applicable) is for:

- an amount less than Rs. 10, 000/- in case of Weekly IDCW Option Payout sub-option under Regular Plan (under which the subscription/switch in/SIP/STP-ins is available)/Direct Plan of the Scheme;
- an amount equal to or less than Rs. 250/- in case of payout sub options of Monthly IDCW Option and Quarterly IDCW Option under Regular Plan/Direct Plan of the Scheme;

The IDCW amount payable will be compulsorily and automatically reinvested in the respective Scheme/Plan by issuing additional Units of the Scheme/Plan at the Applicable NAV on the next Business day after the Record Date. There shall be no load on IDCW so reinvested.

• Reinvestment of IDCW

Under this sub-option, IDCW 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 IDCW so reinvested. The IDCW so reinvested shall be constructive payment of IDCW 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 36 months. For this purpose, 36 months will be computed from the date when such additional Units are issued/allotted.

(iii) Weekly reinvestment IDCW / Daily reinvestment IDCW

Under these options, the Scheme envisage declaring IDCW comprising substantially of net income and realised gains. The IDCW declared would be compulsorily reinvested by way of additional Units in the Scheme instead of being paid out in cash. Such additional Units will be reinvested at the applicable NAV of the next Business Day after the Record Date. When such additional Units are issued, account statements will be issued to the Unit Holders only upon receipt of a specific request for the same from the Unit Holder. The IDCW so reinvested shall be constructive payment of Income Distribution cum Capital Withdrawals 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 36 months. For this purpose, 36 months will be computed from the date when such additional Units are issued/allotted. There shall however, be no entry load, if any, on the IDCW so re-invested.

All Units will rank *pari passu*, among Units within the same Option in each Scheme or within the same Option in the relevant Plan of the Scheme concerned, as to assets, earnings and the receipt of IDCW distributions, if any, as may be declared by the Trustee. However, the receipt of IDCW distribution will be subject to: (i) categorization of investors for applicability of statutory levies **if any**; and (ii) surcharge/cess/any other levy payable by the scheme in respect of separate category of investors, if applicable.

Unit Holder(s) of the aforesaid Scheme can seek payout of IDCW, provided the option has Payout Facility, by submitting the written request at any of the Official Point of Acceptance of Transactions (OPAT) of the AMC/CAMS.

Effect of IDCW: The NAV of the Unit Holders in IDCW, Monthly IDCW, Daily Reinvestment IDCW, Weekly IDCW, and Quarterly IDCW will stand reduced by the amount of IDCW declared.

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

For details on taxation of IDCW please refer the SAI.

Notes:

- a. The Trustee intends to declare IDCW comprising substantially of net income and net realised gains. It should be noted that the actual distribution of IDCW Options and frequency of distribution (except specified in table) will be entirely at the discretion of the Trustee. To the extent the entire net income and realised gains are not distributed, it will remain invested in the Option and reflected in the NAV.
- b. There is no assurance or guarantee to the Unit Holders as to the rate of IDCW will be regularly paid, though it is the intention of the Scheme to make IDCW distribution under the respective plan/options of the Scheme.
- c. An investor on record of the CAMS / Statement of Beneficiary Owners maintained by the Depositories for the purpose of Income Distribution cum Capital Withdrawal Option 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 name of the Scheme and/or Option, clearly in the application form. In case of valid applications received, without indicating the Scheme and/or Option etc. or where the details regarding Option are not clear or ambiguous, the following defaults will be applied:

If no indication is given under the following	Default
Option - Growth/ Daily Reinvestment IDCW/ Weekly IDCW/ Monthly IDCW/ Quarterly IDCW	Growth
Sub-option - Payout of IDCW/Reinvestment of IDCW	Payout of IDCW

Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Option, with a retrospective effect. Investors shall also note that any change in IDCW sub-option, due to additional investment or on the basis of a request received from the investor, will be applicable to all existing Units in the IDCW Option of the Scheme.

- e. Any change in IDCW Option and sub option due to additional investment or customer request will be applicable to all existing Units in the IDCW 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. IDCW payments shall be made to the Unit Holders within 15 days from the record date of IDCW.
- j. Investors should provide details/instructions only in the space provided in the form. Any details/notings/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 antimony 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. Minimum amount for Application/Redemption

▪ First Purchase and Subsequent Purchase	Rs. 500/- and any amount thereafter
▪ SIP Purchase	Rs. 500/- and multiples of Re. 1/- 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.

4. Ongoing price for subscription (Purchase Price)/switch-in from other schemes/ plans

(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/-

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

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

Redemption Price of Units will be calculated on the basis of the Applicable NAV, subject to the Exit Load applicable.

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

Illustration:

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

Redemption Price = $12 \times (1 - 0.005) = \text{Rs. } 11.9400$.

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.

While determining the price of the units, the mutual fund shall ensure that the repurchase price of scheme is not lower than 95 per cent of the Net Asset Value as provided under SEBI (MF) Regulations. **For details on load structure please see, Section 'VII. Fees and Expenses, C. Load Structure.'**

6. 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 accordance with the SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2020/175 dated September 17, 2020, in respect of purchase of units of mutual fund schemes (except liquid and overnight schemes), closing NAV of the day shall be applicable on which the funds are available for utilization irrespective of the size and time of receipt of such application.

Pursuant to above, the NAV applicability for purchase/switch-in/ subscription in the Scheme will be subject to following clauses:

1. Application for purchase/subscription/switch-in is received before the applicable cut-off time on a Business Day.

2. Funds for the entire amount of purchase/subscription/switch-in as per the application is credited before the cut-off time to the bank account of the Scheme in which subscription is made.
3. The funds are available for utilization before the cut-off time the Scheme.

(a) Purchase and Switch-in	
Particulars	Applicable NAV
Where the valid 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.	Closing NAV of same Business Day shall be applicable
Where the valid 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 after 3.00 p.m. on the same Business Day or on any subsequent Business Day	Closing NAV of such subsequent Business Day on which the funds are available for utilization prior to 3.00 p.m.
Where the valid 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/switch-in are available for utilization upto 3.00 p.m. on the same Business Day.	Closing NAV of subsequent Business Day shall be applicable
(b) Redemption and 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.

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.

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.
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, IDCW 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.
9. Irrespective the date and time of debit to the customer bank accounts, the date and time of actual credit in the Scheme's bank account, which could be different due settlement cycle in the banking industry, would be considered for applicability of NAV.
10. Investors are advised to make use of digital/electronic payment to transfer the funds to the Scheme's bank account.

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.

7. Who can invest?

(This is an indicative list and you are requested to consult your financial advisor to ascertain whether the Scheme is suitable to your 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:

- 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
- 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 funds
- 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
- The scheme of the 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.

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.

Further, all other requirement for investments by minor and process of transmission shall be followed in line with SEBI circular dated December 24, 2019 as amended from time to time.

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

Sr. no.	Category	Total amount invested as on March 31, 2021 (Rs. in crores)
1	AMC's Board of Directors*	155.73
2	Scheme's Fund Manager(s)	0.80
3	Other key managerial personnel*	0.61

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 considered under the category of AMC's Board of Directors.

INVESTMENT BY THE AMC:

AMC has complied with the Notification Number No. LAD-NRO/GN/2014-15/01 dated May 6, 2014 and SEBI circular No. SEBI/HO/IMD/DF4/CIR/P/2020/100 dated June 12, 2020 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 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

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 /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, subscription (including systematic investments) 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 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. 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.
- 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, subject to the abovementioned conditions, may 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.

8. Where can you 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 empaneled with the AMC shall also be considered as 'official point of Acceptance of Transaction'.

9. How to Apply?

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

10. Dematerialization

Investors subscribing for the Units (other than by way of switch-in) 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 physical 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 other relevant provisions prescribed in the SID and in terms of guidelines/procedural requirements as laid by the depositories (NSDL/CDSL) from time to time.

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 physical 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(s) account to the satisfaction of the AMC.

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 the in physical 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 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, 2018 as may be amended from time.

The asset management company shall issue units in dematerialized form to a unit holder in a scheme within two working days of the receipt of request from the unit holder.

Units held in demat form will be transferable subject to the other relevant provisions prescribed in this SID and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

11. 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 Trustee may reject any application received in case the application is found invalid/incomplete or for any other reason in the Trustee's sole discretion. All allotments will be provisional, subject to realization 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 the copy of the returned cheque and bank return memo by normal post within 15 days of the Registrar having received, at its registered office, the physical and the return memo. 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 through instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in form of the cheque /demand draft. Further, AMCs may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgement due 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 dishonor 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(s) 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.

12. Minimum balance to be maintained and consequences of non -maintenance

The minimum balance to be maintained at all times in the Scheme shall be Rs. 500/-.

If an investor makes a redemption request immediately after purchase of Units, the Mutual Fund shall have the right to withhold 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.

13. 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 and the request should be for at least 6 such withdrawals. 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 and the request should be for at least 6 such transfers. 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, including Exit Load, if any, prevailing in 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 the 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:

1. SIP/SWP/STP facility is available only in the Regular Plan of the Scheme.
2. SWP and STP facilities are available/applicable to the investors in each plan of the Scheme.
3. 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 are 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. 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/ Computer Age Management Services Limited ('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 hat the Trustee may prescribe from time to time. The Registrar will take note of such pledge/charge in his records. A standard form for this purpose is available on request at any of the official points of acceptance of transactions.

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) Transfer of Income Distribution Cum Capital Withdrawal (IDCW) Plan

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

Under Transfer of IDCW Plan, IDCW 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) 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.

Further, Unit Holder/s who are currently registered under m-Invest facility will automatically get registered under this Facility. Unit Holders are requested to note that from the Effective Date the m-Invest facility will be discontinued by the 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.

Investors/Unitholders are advised to take note of introduction of 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.

The said facility shall be available with effect from April 6, 2017 for those investors who transact through their distributors using the web enabled IFAXpress platform of AMC.

The terms and conditions of the existing OTM facility shall remain the same. The detailed terms and conditions of the facility are available on www.dspim.com

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.

14. 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 Units on a continuous basis during the Continuous Offer Period.

The Unit holders are given an option to hold the Units by way of an Account Statement (physical form) or in Dematerialized (demat form). Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing

transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP.

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., the transferee's name will be recorded by the Mutual Fund subject to production of satisfactory evidence.

15. 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 favor 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 schemes. 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 IDCW 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.

16. 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.

17. 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 Schemes (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.

18. 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 15th 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 21st 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, payout of IDCW, reinvestment of IDCW, 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 15th 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 21st 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, payout of IDCW, reinvestment of IDCW, 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 15th 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 15th 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 21st 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. 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.

19. Income Distribution Cum Capital Withdrawal (IDCW) Warrants

IDCW warrants shall be dispatched to the Unit Holders within 15 days of the record date of IDCW. In the event of delay/failure to dispatch the IDCW warrants within the aforesaid period, 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. 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 which are mentioned at the end of this SID. As all allotments are provisional, subject to realization 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 slip.

In case an investor has purchased Units on more than one day (either under the NFO period or through subsequent purchase) 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 Units 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 working days from the date of redemption or repurchase. However, under normal circumstances, the Mutual Fund will endeavour to dispatch the redemption proceeds, by courier, where such facilities are available, within 1 Business Day

from the date of acceptance of the redemption request at any of the official points of acceptance of transaction. Unit holders are advised to submit their requests for change in bank mandate atleast 10 days prior to date of redemption/IDCW payment, if any. The AMC reserves the right to extend/modify the timelines on a case to case basis. Any unregistered bank account or a new bank account mentioned by the Unit holder along with the redemption request shall not be considered for payment of redemption /IDCW proceeds.

The redemption cheque will be issued in favour of the sole/first Unit Holder's registered name and bank account number, if provided, and will be sent to the registered address of the sole/first Holder as registered with the Registrar. 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 cheques at all other places will be borne by the Unit Holder. With a view to safeguarding their interest, it is desirable 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/ emailed 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 Scheme.

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 IDCW will be dispatched by a reasonable mode of dispatch like courier, speed post, etc. in case of cheque/demand draft or directly credited to the bank account (as per the details mentioned by the investor) in case of direct credit facility, 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 & IDCW 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 or by a foreign currency draft drawn at the then rates of exchange less bank charges, subject to RBI procedures and approvals.

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/ICEX, failing which the transaction will be rejected. Investors shall seek

redemption requests in terms of number of Units only and not in Rupee amounts. Redemption amounts shall be paid by the AMC to the bank mandate registered with the Depository Participant. Refer “Transaction in Units through Stock Exchange mechanism” under ‘B. On Going Offer Details’, 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.

21. Delay in payment of redemption / repurchase proceeds

As per SEBI (MF) Regulations, the Mutual Fund shall despatch the redemption proceeds within 10 working days from the date of redemption or repurchase. In the event of delay/failure to dispatch the redemption/repurchase proceeds within the aforesaid period, 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).

22. 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. Applications 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/ RTA 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 IDCW payment, the AMC reserves the right to capture the bank account used towards subscription payment for the purpose of redemption and IDCW payments.

23. Process for change of address

Investors who wish to change their address have to get their new address updated in their KYC records. Investor will have to submit a KYC Change Request Form in case of individual investors and KYC form in case of non individual investors along with proof of address and submit to any of the AMC Offices or CAMS Investor Service Centers. Based on the new address updated in the KYC records, the same will be updated in the investor folio.

24. 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 Unit holders, 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 IDCW 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/ IDCW payment request (with or without necessary supporting documents), such bank account will not be considered for payment of redemption/IDCW 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.

Bank Account Details / Multiple Bank Account Registration:

It is mandatory for all investors to provide their bank mandate which will be used for payment of redemption/IDCW payout. Applications without the mandatory bank details and supporting documents are liable to be rejected. Investors should ideally mention account details of the same bank account from where the payment towards purchase is made. If the bank account details mentioned are different from purchase pay-in bank, investors should attach a cancelled cheque off the said account with name and account number pre-printed. Should the investor fail to provide the documents, the Fund/AMC/RTA reserve the right to register the pay-in bank details as the redemption bank details and use such bank account for payment of any redemption/IDCW proceeds.

The Mutual Fund offers its Unit holders, facility to register multiple bank accounts for pay-in & payout purposes and designate one of the registered bank account as “Default Bank Account”. This facility can be availed by using a designated “Bank Accounts Registration Form. In case of new investors, the bank account mentioned on the purchase application form used for opening the folio 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 payins (i.e. receiving of subscription funds) to ensure that a third party payment is not used for mutual fund subscription.

Change of Bank

New bank accounts can only be registered using the designated “Bank Accounts Registration Form” / ‘Change of Bank Form’. If Unit holder(s) provide a new and unregistered bank mandate or a change of bank mandate request with specific redemption/ IDCW payment request (with or without necessary supporting documents),

such bank account will not be considered for payment of redemption/ IDCW proceeds, or the Mutual Fund withhold the payment for upto 10 calendar days to ensure validation of new bank mandate mentioned. Change of bank mandate would not be processed based on the request submitted along with the redemption request and the investor will have to submit a fresh request for change of bank mandate with supporting documents. Any request without the necessary documents will be treated invalid and will not be acted upon and any financial transaction, including redemptions, will be processed with the existing 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.

25. Change in Bank Account mandate along with Redemption / IDCW proceeds:

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

- (i). Proceeds of any redemption/IDCW will be sent only to a bank account that is already registered and validated in the folio at the time of redemption / IDCW processing.
- (ii). Unit holder(s) may choose to mention any of the existing registered bank accounts with redemption /IDCW payment request for receiving redemption/IDCW 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 / IDCW payment request (with or without necessary supporting documents) such bank account may not be considered for payment of redemption/ IDCW proceeds, or the Mutual Fund may withheld 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. 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

27. Transaction 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(s) through the stock brokers registered with the ICEX, BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE, BSE and/or ICEX 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 Schemes 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 and/or IEX or such other recognized exchange in this regard.

Further, in line with SEBI circular No. SEBI/HO/MRD1/DSAP/CIR/P/2020/29 dated February 26, 2020 as amended from time to time, the direct access to investors to buy/redeem on stock exchange platform will be provided once stock exchanges are ready with the necessary infrastructure

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, IDCW, etc. with respect to aforementioned investments shall be paid only through banking channel.

29. Facility to transact in units of the Schemes through MF Utility portal & MFUI Points of Services pursuant to appointment of MF Utilities India Private Limited

The AMC has entered into an Agreement with MF Utilities India Private Limited (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 schemes of various Mutual Funds with a single form and a single payment instrument.

Investors can execute financial and non-financial transactions pertaining to Schemes of 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 schemes 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 Schemes 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.

CAN is a single reference number for all investments in the Mutual Fund industry, for transacting in multiple schemes of various Mutual Funds through MFU and to map existing investments, if any.

MFU will map the existing folios of investors in various schemes of Mutual Funds to the CAN to enable transacting across schemes 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.

2. 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.
3. 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.
4. 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.

All other terms and conditions of offering of the Scheme as specified in the SID, KIM and SAI shall be applicable to transaction through MFUI.

30. 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.

31. 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

<p>Net Asset Value (This is the value per Unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your Unit balance)</p>	<p>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.</p> <p>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 Centers at various locations. The NAV of the Scheme will also be updated on the AMFI website www.amfiindia.com and on www.dspim.com.</p> <p>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.</p> <p>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.</p> <p>Latest available NAVs shall be available to unit holders 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.</p>
<p>Fortnightly Portfolio Disclosure</p>	<p>The fortnightly 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 fifth day of succeeding fortnight. In case of unit holders whose email addresses are registered with the Fund, the AMC shall send fortnightly portfolio via email within 5 days from the end of each fortnight.</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>Half yearly Disclosures: Portfolio (This is a list of securities where the corpus of each Scheme is currently invested. The market value of these investments is also stated in portfolio disclosures)</p>	<p>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.</p> <p>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.</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 unit holder.</p>
<p>Half Yearly Financial Results</p>	<p>The Mutual 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 advertisement in this regards will be published by the Mutual 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 Mutual Fund is situated.</p>
<p>Annual Report</p>	<p>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 investors 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.</p> <p>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 unit holders 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.</p> <p>Unit holders 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 unit holders 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</p> <p>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.</p> <p>Investors are requested to register their e-mail addresses with Mutual Fund.</p>
<p>Associate Transactions</p>	<p>Please refer the SAI.</p>
<p>Dashboard</p>	<p>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.</p>
<p>Performance disclosure</p>	<p>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.</p>

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.
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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, any distribution by mutual fund will be taxed in the hands of the Unit Holder.

Distribution by Mutual Fund						
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
Any distribution by 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 (other than units purchased in foreign currency) In respect of non-resident (not being company) or foreign corporates - 20%(for units purchased in foreign currency)	20% (u/s 115AD)	10% @ (u/s 194K)	20%* (u/s 196A)	20%* (u/s 196D) or as per applicable DTAA whichever is lower

*plus surcharge and Health and Education cess[Ⓐ]. Surcharge as per the below table

As per the Finance Act 2021 TDS rate in case FPI deducted under section 196D to be deducted at 20% or DTAA rate whichever is lower.

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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.

^a 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.

The Finance Act 2021 has also introduced special provisions for higher rate of TDS applicable in case of non-filer of Income tax return.

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

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

$$\frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{Number of Units}}$$

$$\text{NAV (Rs.)} = \frac{\text{No. of Units outstanding under the Scheme}}{\text{Capital + Reserves \& Surplus}}$$

$$\text{NAV (Rs.)} = \frac{\text{No. of Units outstanding under the Scheme}}{\text{No. of Units outstanding under the Scheme}}$$

NAVs will be rounded off to four decimal places and will be computed and declared on every Business Day, as of the close of such Business Day. The valuation of the Schemes' assets and calculation of the Schemes' NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

Note: There will be more than one NAV, one for each option, after the declaration of the first IDCW.

SECTION VII. FEES AND EXPENSES

This section outlines various expenses that will be borne by the Scheme. The information provided below would assist the investor in understanding the expense structure of the Scheme, types of different fees / expenses, their percentage the investor is likely to incur on purchasing and selling the Units of 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. all such expenses are borne by AMC.

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 Debt oriented scheme:

Slab Rates	As a % of daily net assets as per Regulation 52(6) (c)	Additional TER as per Regulation 52 (6A) (b)^
on the first Rs.500 crores of the daily net assets	2.00%	0.30%
on the next Rs.250 crores of the daily net assets	1.75%	0.30%
on the next Rs.1,250 crores of the daily net assets	1.50%	0.30%
on the next Rs.3,000 crores of the daily net assets	1.35%	0.30%
on the next Rs.5,000 crores of the daily net assets	1.25%	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	0.30%
On balance of the assets	0.80%	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):

- 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.

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 2.00%
(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 IDCW 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 2.00%
(b)	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 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[#] - NIL

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

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, accepted by the Mutual Fund
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 IDCW 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 GST on exit load shall be paid out of the exit load proceeds and exit load net of GST shall be credited to the scheme.

Investors may note that the Trustee has the right to impose exit load 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 advised to contact any of the Investor Service Centers or the AMC to know the latest position on Exit Load structure prior to investing in the 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 the Scheme/ Plan (in a particular folio) falls below Rs. 500/- 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/IDCW Transfer Plan 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.

E. STAMP DUTY

Investors / Unit Holders of all the scheme(s) of DSP Mutual Fund are advised to take note that, pursuant to notification no. S.O. 4419(E) dated December 10, 2019 read with notification no. S.O. 115(E) dated January 08, 2020 and notification no. S.O. 1226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, applicable stamp duty would be levied on mutual fund investment transactions with effect from July 1, 2020.

Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchases, switch-ins, SIP/STP installments, (including IDCW reinvestment) to the unit holders would be reduced to that extent.

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 shareholders 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. On February 04, 2020, the Honorable High Court granted ad-interim relief restraining the Defendant from using of trademark.

- AMC holds the non-convertible debentures issued by Accelerating Education and Development Private limited (AEDPL), a Resonance group entity vide Debenture Trust Deed dated 10th November 2016. AEDPL defaulted in repayment of redemption amount. AMC has presently filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 in the Delhi High Court seeking interim reliefs inter alia in the nature of non-alienation of assets for securing the entire amount of Rs. 144,76,82,011/- due and payable by Resonance Group to AMC as on 4th March 2021. Separate proceedings have been filed under Section 138 of the Negotiable Instruments Act, 1881 against AEDPL by Vistra ITCL (India) Limited, on the instructions, and to protect the interests of the Debenture Holders at large.
 - AMC is in process of filing an intervention application before the Civil Court, Ahmedabad in the Sintex BAPL Limited matter. No-objection was given by Vistra ITCL (India) Limited on the instructions of AMC and other Debenture Holders to Sintex BAPL Limited for selling its step-down subsidiary Sintex NP SAS. Sale proceeds are to be utilised to discharge the NCDs held by certain schemes of DSP Mutual Fund and other Debenture Holders. However, Axis Bank has filed a Suit claiming first charge over the sale proceeds.
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 circulars/guidelines issued from time to time 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: May 28, 2021

