

SCHEME INFORMATION DOCUMENT

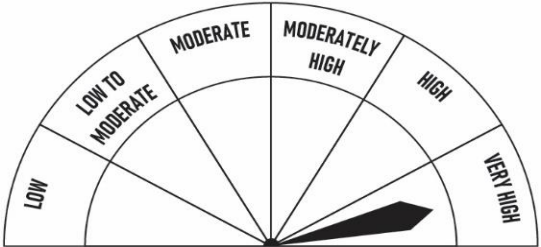
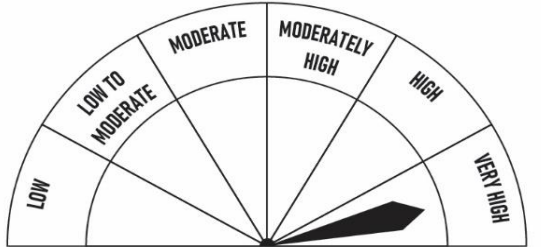
DSP NIFTY IT ETF

An open ended scheme replicating/ tracking Nifty IT Index

This product is suitable for investors who are seeking*

- Long-term capital growth
- Investment in equity and equity related securities covered by Nifty IT Index, subject to tracking error.

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

Risk-o-meter#	
Scheme	Benchmark Nifty IT TRI
 <p>RISKOMETER</p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>	 <p>RISKOMETER</p> <p>INVESTORS UNDERSTAND THAT THEIR PRINCIPAL WILL BE AT VERY HIGH RISK</p>

(# For latest Risk-o-meters, investors may refer on the website of the Fund viz. www.dspim.com)

(The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made)

Offer of Units of Rs. 10 each, issued at a premium approximately equal to the difference between face value and Allotment Price during the New Fund Offer and at NAV based prices on an on-going basis

New Fund Offer of:

DSP Nifty IT ETF

Opens on: June 21, 2023

Closes on: July 03, 2023

Scheme re-opens for continuous sale and repurchase: Within five Business Days from the date of allotment

Name of Mutual Fund	DSP Mutual Fund
Name of Asset Management Company	DSP Asset Managers Private Limited
CIN	(U65990MH2021PTC362316)
Name of Trustee Company	DSP Trustee Private Limited
CIN	(U65991MH1996PTC100444)

Addresses of the entities	Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 40
Website	www.dspim.com

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

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

The investors are advised to refer to the Statement of Additional Information (SAI) for details of DSP Mutual Fund, Tax and Legal issues and general information on www.dspim.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy Of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document (SID) should be read in conjunction with the SAI and not in isolation.

This SID is dated June 08, 2023

BSE Disclaimer:

BSE Limited (“the Exchange”) has given vide its letter LO/IPO/BS/MF/IP/283/2022-23 dated December 09, 2022 permission to DSP Mutual Fund to use the Exchange’s name in this SID as one of the Stock Exchanges on which this Mutual Fund’s Unit are proposed to be listed. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to DSP Mutual Fund. The Exchange does not in any manner: i) warrant, certify or endorse the correctness or completeness of any of the contents of this SID; or ii) warrant that this scheme’s unit will be listed or will continue to be listed on the Exchange; or iii) take any responsibility for the financial or other soundness of this Mutual Fund, its promoters, its management or any scheme or project of this Mutual Fund; and it should not for any reason be deemed or construed that this SID has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any unit of DSP NIFTY IT ETF of this Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

NSE Disclaimer:

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/5516 dated December 08, 2022 permission to the Mutual Fund to use the Exchange’s name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund’s units are proposed to be listed subject to, the Mutual Fund fulfilling various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund’s units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund. Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

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HIGHLIGHTS/SUMMARY OF THE SCHEME	
Name of the Scheme	DSP Nifty IT ETF
Category of the Scheme	Exchange Traded Fund (ETF)
Type of Scheme	An open ended scheme replicating/ tracking Nifty IT Index
Scheme Code	DSPM/O/O/EET/22/12/0061
BSE & NSE Script Code / Symbol	To be inserted after Scheme is listed
Investment Objective	<p>The Scheme seeks to provide returns that, before expenses, correspond to the total return of the underlying index (Nifty IT TRI), subject to tracking errors.</p> <p>There is no assurance or guarantee that the investment objective of the scheme would be achieved.</p>
Plan/Options Available under the Scheme	Currently, there are no plan/options available under the Scheme
Liquidity	<p>On the Exchange</p> <p>The units are proposed to be listed on Stock Exchange to provide liquidity through secondary market. The units of the Scheme can be bought / sold on all trading days on the National Stock Exchange of India Limited and or BSE Ltd. or any other stock exchange where the Scheme is proposed to be listed.</p> <p>The price of the Units in the secondary market on the Stock Exchange(s) will depend on demand and supply at that point of time. The AMC will appoint at least two Market Maker(s) who are the member of Stock Exchange to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market.</p> <p>Directly with the Mutual Fund</p> <p>The Scheme offers units for subscription / redemption directly with the Mutual Fund in creation unit size to Market Makers / and Large Investors, at intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased/sold.</p> <p>Further, in terms of clause no. VIII of SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022 and SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/145 dated October 28, 2022 w.e.f. May 01, 2023 investors can directly approach AMC for redemption of units for transaction of more than Rs. 25 Crore, subject to creation unit size.</p> <p>Investors can also directly approach AMC for redemption of units for transaction of upto Rs. 25 Crore without any exit load, if:</p> <ol style="list-style-type: none"> Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. <p>Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.</p>

	<p>In the event of above, valid applications received by the fund upto the cut-off time will be processed on the basis of the closing NAV of the day of receipt of request and for valid applications received after cut-off time, the closing NAV of the next Business Day shall be applicable.</p> <p>Dematerialization</p> <p>The Units of the Scheme are available only in dematerialized (electronic) form. Investors intending to invest in Units of DSP Nifty IT ETF will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form DP's Name, DP ID No. and Beneficiary Account No. with the DP at the time of purchasing Units during NFO and in ongoing offer directly from the fund in Creation Unit Size. In case the demat details are not mentioned in the application or the mentioned details are incorrect / incomplete/illegible/ambiguous, such applications will be rejected.</p> <p>The Units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form.</p>
Benchmark Index	Nifty IT TRI
Transparency/NAV Disclosure	<p>The first NAV will be calculated and declared within 5 Business days from the date of allotment. Thereafter, the Mutual Fund shall declare the NAV of the Scheme on every Business Day, on AMFI's website (www.amfiindia.com), by 11.00 p.m. and website of the AMC (www.dspim.com). The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations.</p> <p>Latest available NAVs shall be available to unitholders through SMS, upon receiving a specific request in this regard. NAV will be calculated and declared on every Business Day, except in special circumstances described under 'Suspension of Sale and Redemption of Units' in the SAI.</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>Indicative NAV (iNAV):</p> <p>The AMC shall also calculate indicative NAV and will be updated during the market hours on its website www.dspim.com. Indicative NAV will not have any bearing on the creation or redemption of units directly with the Fund by the Market Makers /Large Investors.</p> <p>Indicative NAV shall be disclosed on Stock exchange(s), where the units will be listed, on continuous basis within a maximum time lag of 15 seconds during the trading hours.</p> <p>For transactions by Market Makers / large investors directly with the AMCs, intra-day NAV based on the executed price at which the securities representing the underlying index are purchased / sold will be applicable.</p> <p>In case of unit holders whose email addresses are registered, the AMC shall send monthly/half yearly portfolio via email within 10 days from the end of each month/ half year. The monthly/half yearly portfolio of the Scheme shall be available in a user-friendly and downloadable</p>

	<p>spreadsheet format on the AMFI's website www.amfiindia.com and website of the AMC viz. www.dspim.com on or before the 10th day of succeeding month.</p> <p>The AMC shall publish an advertisement every year disclosing the hosting of the scheme wise annual report on their respective website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. Such advertisement shall be published in the all India edition of at least two daily newspapers, one each in English and Hindi.</p> <p>The AMC shall provide a physical copy of the statement of the Scheme portfolio, without charging any cost, on specific request received from a unitholder.</p> <p>Refer relevant disclosures mentioned in the Statement of Additional Information ('SAI') available on the AMC's website. i.e. www.dspim.com.</p>	
Loads	Entry Load	<p>Not Applicable</p> <p>Pursuant to SEBI Circular No. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor.</p>
	Exit Load	<p>For Creation Unit Size: No Exit load will be levied on redemptions made by Market Makers / Large Investors directly with the Fund in Creation Unit Size.</p> <p>For other than Creation Unit Size: Nil</p> <p>The Units of DSP Nifty IT ETF in other than Creation Unit Size cannot be directly redeemed with the Fund. These Units can be redeemed (sold) on a continuous basis on the Stock Exchange(s) during the trading hours on all trading days. The Trustee / AMC reserve the right to change / modify the exit load on a future date on prospective basis</p>
Minimum Application Amount (First purchase and subsequent purchase)	<p>During NFO period - Rs. 5,000 and in multiples of Re. 1/- thereof.</p> <p>On Continuous basis -</p> <p>Directly with Fund:</p> <p>a) Market Makers:</p> <p>Market Makers can directly purchase / redeem in blocks from the fund in "Creation unit size" on any business day.</p> <p>b) Large Investors:</p> <p>Large Investors can directly purchase / redeem in blocks from the fund in "Creation unit size" on any business day subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time.</p> <p>On the Exchange -</p> <p>The units of the Scheme can be purchased and sold in minimum lot of 1 unit and in multiples thereof.</p>	

SECTION I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

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

Additional Risk Factors for Foreign Investors:

i. 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.

Delays or changes in the development of conducive policy frameworks could also have an impact on the securities in which the Scheme invests.

ii. 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.

iii. 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.

iv. 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.

1) Risk Factors associated with Exchange traded schemes:

a. Passive Investments:

As the scheme proposes to invest not less than 95% of the net assets in the securities of the benchmark Index, the Scheme will not be actively managed. The Scheme may be affected by a general decline in the Indian markets relating to its Underlying Index. The Scheme invests in the securities included in its underlying index regardless of their investment merit. The AMC does not attempt to individually select stocks or to take defensive positions in declining markets. The value of the Scheme's investments, may be affected generally by factors affecting equity markets, such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in policies of the Government, taxation laws or any other appropriate authority policies and other political and economic developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the Units of the Scheme may fluctuate and can go up or down.

The scheme will be investing only in the securities included in the underlying index and will be exposed to additional concentration risk in cases where the underlying index has concentration towards any specific sector, theme or market capitalization. The AMC will not have any option to reduce the concentration risk by diversifying the investments.

b. Tracking Error and Tracking Difference Risk:

The Fund Manager would not be able to invest the entire corpus exactly in the same proportion as in the underlying index due to certain factors such as the fees and expenses of the respective scheme, corporate actions, cash balance, changes to the underlying index and regulatory policies which may affect AMC's ability to achieve close correlation with the underlying index of the scheme. The scheme's returns may therefore deviate from those of its underlying index. **"Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme. "Tracking Difference" is the annualized difference of daily returns between the Index and the NAV of the scheme (difference between fund return and the index return).** Tracking Error and Tracking difference may arise including but not limited to the following reasons:

- i. Expenditure incurred by the fund.
- ii. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all time as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
- iii. Securities trading may halt temporarily due to circuit filters.
- iv. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- v. Rounding off of quantity of shares in underlying index.
- vi. Dividend payout.
- vii. Disinvestments to meet redemptions, recurring expenses, IDCW payouts etc.
- viii. Execution of large buys / sell orders
- ix. Transaction cost (including taxes and insurance premium) and recurring expenses
- x. Realization of Unit holders funds
- xi. Index providers may either exclude or include new scrips in their periodic review of the scrips that comprise the underlying index. In such an event, the Fund will try to reallocate its portfolio but the available investment/reinvestment opportunity may not permit absolute mirroring immediately.

SEBI Regulations (if any) may impose restrictions on the investment and/or divestment activities of the Scheme. Such restrictions are typically outside the control of the AMC and may cause or exacerbate the Tracking Error.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances may result in tracking error. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

2) Risks pertaining to transaction in listed units:

- a) **Absence of Prior Active Market:** Although the Scheme is listed on Stock Exchange, there can be no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the Units of the Scheme would be infrequent.
- b) **Trading in Units may be Halted:** Trading in the Units of the Schemes on Stock Exchange may be halted because of market conditions or for reasons that in view of Stock Exchange or SEBI, trading in the Units of the Schemes are not advisable. In addition, trading of the Units of the Scheme are subject to trading halts caused by extraordinary market volatility and pursuant to Stock Exchange and SEBI circuit filter rules. There can be no assurance that the requirements of Stock Exchange necessary to maintain the listing of the Units of the Schemes will continue to be met or will remain unchanged.
- c) **Units of the Schemes May Trade at Prices Other than NAV:** The Units of the Schemes may trade above or below their NAV. The NAV of the Schemes will fluctuate with changes in the market value of the holdings of the Schemes. The trading prices of the Units of the Schemes will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the Schemes. However, given that Units of the Schemes can be created and redeemed in Creation Units directly with the Fund.
- d) **Other Risk related to listed units:** The units will be issued only in dematerialized form through depositories. The records of the depository are final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund during the liquidity window depend upon the confirmations to be received from depository (ies) on which the mutual fund has no control.

Investors may note that the scheme would only repurchase units from the Market Makers & Large Investors in eligible Creation Unit Size. Thus unit holdings less than the eligible Creation Unit Size can only be sold through the secondary market on the exchanges

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. However, units of the Scheme can only be subscribed in demat mode. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

Any changes in trading regulations by Stock Exchange or SEBI may affect the ability of market maker to arbitrage resulting into wider premium/discount to NAV.

3) Risk of Substantial Redemptions:

The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to sell intended securities due to liquidity & settlement problems, could cause delay for processing the large number of direct redemptions. The Trustee, in the general interest of the Unit holders of the Schemes offered under this SID and keeping in view of the unforeseen circumstances/unusual market conditions, may limit the total number of Units which can be redeemed on any Working Day depending on the total "Saleable Underlying Stock" available with the Fund.

4) Risk associated with use of derivatives:

The Scheme may periodically invest in derivative securities e.g. when a stock(s) is entering/exiting the benchmark index. However, the Scheme will not use derivative instruments for speculative purposes or to leverage its net assets. There may be a cost attached to buying index futures or other

derivative instrument. Further there could be an element of settlement risk, which could be different from the risk in settling physical shares

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

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

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

- The option buyer's risk is limited to the premium paid
- Investments in index/stock futures face the similar risk as the investments in the underlying stock or index.
- Risk of loss in trading in futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and potentially high volatility of the futures markets.
- The derivatives market may not have the volumes that may be seen in other developed markets, which may result in volatility in the values.
- The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

5) Risks associated with Equity Investments:

Equity and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, liquidity or otherwise, could cause the Scheme to miss certain investment opportunities and thus not being aligned to underlying index. Similarly, the inability to sell securities held in the Scheme portfolio 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 portfolio.

Also, the value of the Scheme investments may be affected by interest rates, changes in law/ policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on underlying index, individual securities, a specific sector or all sectors.

Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.

The AMC will ensure that the investment in the scheme are aligned to the underlying index and thus minimizing any additional idiosyncratic risk.

6) Risk Factors associated with investments in Fixed Income Securities:

- **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices

of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. However, debt securities in this scheme are intended to be held till maturity. For such securities held till maturity, there will not be any interest rate risk at the end of the tenure.

- **Liquidity or Marketability Risk:** This refers to the ease with which a security can be sold at or near to its valuation Yield-to-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today's characteristic of the Indian fixed income market.
- **Reinvestment Risk:** Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.
- **Pre-payment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.
- **Risk factors associated with investment in Tri-Party Repo:** The mutual fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the mutual fund is called upon to absorb settlement/ default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund

7) Risk of illiquid securities:

The Schemes may not be able to immediately sell certain types of illiquid Securities. The prices and subsequent valuation of restricted and illiquid Securities may reflect a premium / discount, which may be significant, from the market price of comparable Securities for which a liquid market exists.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Scheme(s) can go up and down because of various factors that affect the capital markets in general.

The AMC cannot give assurance but will endeavor to liquidate any illiquid securities not a part of the underlying index at the earliest with least possible price impact.

8) Risk associated with Securities Lending & Borrowing and Short Selling:

Securities Lending and Borrowing (“SLB”) is an exchange traded product in India, with trades done on order matching platforms setup by the clearing corporation/house of recognized stock exchanges. In accordance with SEBI guidelines, there is a robust risk management system and safeguards exercised by the clearing corporation/house, which also guarantee financial settlement hence eliminating counterparty risk on borrowers.

The Scheme may participate as a lender in the SLB market and lend securities held in the portfolio for earning fees from such lending to enhance revenue of the Scheme. The key risk to the Scheme is creation of temporary illiquidity due to the inability to sell such lent securities, till the time such securities are returned on the contractual settlement date or on exercise of early recall.

The Scheme may enter into short selling transactions in accordance with the guidelines prescribed by SEBI. The key risk to the Scheme is increase in the price of such securities, requiring the Scheme to purchase the securities sold short to cover the position even at unreasonable prices resulting in a loss to the Scheme.

RISK MANAGEMENT STRATEGIES

- **Tracking Error and Tracking Difference:** The AMC will to the best of their efforts ensure that the scheme investments are aligned with the underlying index at all the time. By continuously monitoring, the AMC will ensure that the tracking error & tracking difference are well within the regulatory thresholds.
- **Transaction in listed units:** The AMC with help of market makers will monitor and ensure liquidity on the exchanges for trading the units of the ETF. The AMC will also offer direct redemption under special circumstances as defined in SECTION III. UNITS AND OFFER - B. ONGOING OFFER DETAILS - Ongoing price for redemption (sale)/switch outs (to other schemes/plans of the Mutual Fund by investors.
- **Risk associated with derivatives:** The AMC would adhere to the risk mitigating guidelines / measures issued by SEBI / RBI from time to time for derivative products and will ensure investments in derivative is only as per the investment guidelines documented in SID.
- **Equity Market Risk:** Market risk is inherent to this scheme similar to other equity schemes and is exposed to all the market risk that are inherent to the underlying index at all times. The AMC will ensure that the investment in the scheme are aligned to the underlying index and thus minimizing any additional idiosyncratic risk.
- **Risk associated with Fixed income investment:** The scheme will invest in the Fixed income securities as per the intended allocation and thus this risk are low as compared to other risk mentioned above. The AMC will endeavor to minimize the Liquidity Risk, Interest Rate Risk, Reinvestment Risk.
- **Risk associated with Stock Lending:** The AMC will have appropriate controls and adhere to laid down SEBI regulations for SLB transactions to ensure that the risk associated to Stock lending is minimized.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

Being an open-ended Exchange Traded Fund, the guidelines issued by SEBI vide its Circular no. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 regarding Minimum Number of Investors in Scheme and that no single investor should account for more than 25% of the corpus of the scheme shall not be applicable to this Scheme.

C. 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 Scheme Units and collectively constitute a majority investor in the Scheme. Accordingly, redemption of

Units held by such funds may have an adverse impact on the value of the Units of the Scheme because of the timing of any such redemption and may impact the ability of other Unit Holders to redeem their respective Units.

- As the liquidity of the Scheme investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or of a restructuring of the Scheme portfolios. In view of this, the Trustee has the right, in its sole discretion, to limit redemptions under certain circumstances.
- Neither the SID and SAI, nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID and the SAI in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this SID or any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.
- Investment decisions made by the Investment Manager may not always be profitable.
- The AMC provides Investment Management Services to DSP India Fund and DSP India Investment Fund (both based out in Mauritius). The AMC 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 also provides investment management advice and execution services to DSP ICAV, an umbrella type Irish Collective Asset-management Vehicle. The AMC is the holding company to DSP Pension Fund Managers 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 is the holding company to DSP Fund Managers IFSC Private Limited ('DSP IFSC'). Subject to regulatory approvals, DSP IFSC will provide investment management and advisory services to Funds set up under IFSCA (Fund Management) Regulations, 2022. The AMC also intends to provide non-binding advisory services to a DSP IFSC in accordance with Regulation 24 of SEBI (Mutual Funds) Regulations, 1996. **The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.**
- There are instances where AMC has appointed common Fund Manager for managing domestic mutual fund schemes and managing/advising offshore funds. Further, it may be noted that the dealing function (excluding passive schemes) is common for mutual fund/AIF/offshore advisory cum management activities. The AMC has systems in place to ensure that there is no conflict of interest between the aforesaid activities.
- The Mutual Fund/AMC has not authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorized by the Mutual Fund or the AMC. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- Suspicious Transaction Reporting: If after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, the AMC shall report any such suspicious transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder by SEBI and/or RBI without obtaining the prior approval of the investor/Unit Holder/any other person.

- The AMC and its Registrar reserve the right to disclose/share investors' personal information with the following third parties:
 1. Registrar, Banks and / or authorised external third parties who are involved in transaction processing, dispatches, etc., of investors' investment in the Scheme;
 2. Distributors or Sub-brokers 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.

- DSP Investment Managers Private Limited (“DSPIM”) has transferred its asset management business to another DSP group company DSP Asset Managers Private Limited (“DSPAM”), as part of internal restructuring (demerger) of its business with effect from April 01, 2023.

It is to be noted, that pursuant to said demerger, there is (a) no change in ultimate ownership and control of the Asset Management Company (AMC) of the Fund; (b) sponsors of the Fund; and (c) name of the Fund. Further, Securities and Exchange Board of India (“SEBI”) vide its letter dated December 01, 2022 bearing reference no. SEBI/HO/OW/IMD RAC2/P/2022/60211/1 (“SEBI NOC”) has approved the said Demerger with no objection to transfer the AMC Business of DSPIM to DSPAM.

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

D. DEFINITIONS

Applicable NAV	<p>For NFO, the applicable NAV will be based on the closing index price of the underlying index on the date of allotment.</p> <p>For ongoing purchase and redemption transactions by Market Makers and large investors, intra day NAV based on the executed price at which the securities representing the underlying index are purchased/sold shall be applicable.</p>
Application Supported by Blocked Amount (ASBA)	ASBA is an application containing an authorization to a Self Certified Syndicate Bank (SCSB) to block the application money in the bank account maintained with the SCSB, for subscribing to a New Fund Offer.
AMC or Investment Manager or DSPAM	DSP Asset Managers Private Limited, the asset management company, set up under the Companies Act, 2013, and authorised by SEBI to act as the asset management company to the Scheme of DSP Mutual Fund
Market Maker	Market Maker means the member of the National Stock Exchange of India Ltd. (NSE) or any other Recognized Stock Exchange(s) as defined under Section 2(f) of the Securities Contracts (Regulation) Act, 1956 and their nominated entities/persons or any person who are appointed by the AMC/Fund to act as Market Maker to give two way quotes on the stock exchanges and who deal in Creation Unit size for the purpose of purchase and sale of units directly from the AMC.
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/Working Day	<p>A day other than:</p> <ol style="list-style-type: none"> (1) Saturday and Sunday; (2) a day on which the National Stock Exchange / BSE is closed (3) a day on which the Sale and Redemption of Units is suspended <p>The AMC reserves the right to declare any day as a non-business day at any of its locations at its sole discretion.</p>
Cash Component	<p>Cash Component represents the difference between the Applicable NAV of a Creation Unit size and the market value of Portfolio Deposit. This difference will represent accrued IDCWs, accrued annual charges including management fees and residual cash in the Scheme. In addition, the Cash Component will include transaction cost as charged by the Custodian/DP, equalization of IDCW and other incidental expenses for Creating Units including statutory levies, if any.</p> <p>The Cash Component will vary from time to time and will be decided and announced by the AMC.</p>
Creation Date	The date on which DSPNITETF Units are created
Creation Unit Size	<p>Creation Unit Size is fixed number of units of the Scheme which is, exchanged for a basket of securities (Portfolio Deposit) and a Cash Component, equal to the value of said predefined units of the Scheme, and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>For redemption of units it is vice versa i.e. fixed number of units of Scheme are exchanged for Portfolio Deposit and/ or Cash Component of the Scheme.</p> <p>The Portfolio Deposit and/ or Cash Component will change from time to time due to change in NAV and will be announced by the AMC on its website.</p> <p>Each Creation Unit size consists of 25,000 units of DSP Nifty IT ETF. Each unit of DSP Nifty IT ETF will be approximately equal to 1/1000th the value of the Nifty IT Index.</p>

	The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC's website.
Continuous Offer/Ongoing Offer	Offer of Units when the Scheme becomes available for subscription, after the closure of the New Fund Offer.
Custodian	Citibank N. A., acting as custodian to the Schemes, or any other Custodian who is approved by the Trustee.
Clearcorp Repo Order Matching System (CROMS)	CROMS is an STP (Straight through Processing) enabled anonymous Order Matching Platform launched by Clearcorp Dealing Systems (India) Ltd for facilitating dealing in Market Repos in all kinds of Government Securities.
Date of Allotment	The date on which Units subscribed to during the New Fund Offer Period will be allotted.
DSPNITETF/Scheme	DSP Nifty IT ETF
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 which acts like an intermediary between the Depository and the investors. DP is an entity which is registered with SEBI to offer depository-related services.
Entry Load	Load on purchase of Units
Equity related instrument	Equity related instruments include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time.
Exchange Traded Fund (ETF)	Mutual Fund scheme that invests in securities in the same proportion as an index of securities and the units of exchange traded fund are mandatorily listed and traded on exchange platform.
Exit Load	Load on redemption of Units
First time mutual fund investor	An investor who invests for the first time ever in any mutual fund either by way of subscription or systematic investment plan.
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 Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 as amended from time to time.
Intra-day NAV	Intra-day NAV means the NAV applicable for subscription/redemption transaction by an Market Maker/Large Investor directly with the fund, based on the price at which the purchase/sale of basket of securities representing the underlying index was executed for their respective transaction(s) during the day and shall include the Cash Component. Additionally, transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor.
Indicative NAV (iNAV)	Indicative NAV reflects the indicative value of each unit by valuing the previous day portfolio using near close real time prices and after deducting expenses incurred towards operating and holdings cost.
Investment Management Agreement(IMA)	The Agreement dated December 16, 1996, amended vide Amendatory Agreement dated April 01, 2023 entered into between DSP Trustee Private Limited and DSP Asset Managers Private Limited, as amended from time to time.
Large Investors	Large Investor for the purpose of subscription of DSPNITETF Units would mean Investors other than Market Makers who is eligible to invest in the Scheme and who would be creating Units of the Schemes in Creation Unit size by depositing Portfolio Deposit and/ or Cash Component subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) and such other threshold as prescribed by SEBI from time to time. Further Large Investor would also mean those Investors who would be Redeeming Units of the Schemes in Creation Unit size subject to the value of such transaction is greater than threshold of INR 25 Cr. (Twenty-Five crores) * and such other threshold as prescribed by SEBI from time to time.

NAV	Net Asset Value of the Units of the Scheme (Plans and Options, if any, therein) calculated in the manner provided in this SID or as may be prescribed by the SEBI (MF) Regulations, from time to time.
Non Business Day	A day other than a Business Day.
NRI	Non Resident Indian.
Offer Document	This Scheme Information Document (SID) and the Statement of Additional Information (SAI) (collectively)
PIO	Person of Indian Origin.
Portfolio Deposit	Portfolio Deposit consists of pre-defined basket of securities that represent the underlying index and as announced by AMC from time to time
Registrar and Transfer Agent/RTA	Computer Age Management Services Limited (CAMS)
Self Certified Syndicate Banks (SCSB)	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 Nifty IT ETF
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	DSP ADIKO Holdings Private Limited & DSP HMK Holdings Private Limited
Stock Exchange/Exchange	BSE, NSE or any other recognized stock exchange in India Ltd. Indian Commodity Exchange Ltd, as may be approved by the Trustee.
Stock Exchange mechanism/Trading Platforms	MFSS (platform offered by NSE), BSE StAR MF (platform offered by BSE), or any other recognised stock exchange trading platform, with whom the AMC registers itself to facilitate transactions in mutual fund units.
Tracking Error	Tracking Error (TE) is defined as the annualized standard deviation of the difference in daily returns between the underlying index and the NAV of the Scheme based on past one year rolling data. For Scheme in existence for a period of less than one year, the annualized standard deviation shall be calculated based on available data.
Tracking Difference	Tracking Difference (TD) is the annualized difference of daily returns between the Index and the NAV of the scheme (difference between fund return and the index return).
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 Scheme of DSP Mutual Fund.
Unit	The interest of an investor which consists of one undivided share in the Unit Capital of the relevant Option under the Scheme offered by this SID.
Unit Holder/Investor	A participant/holder of Units in the Scheme offered under this SID.

ABBREVIATIONS & INTERPRETATIONS

In this SID the following abbreviations have been used:

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

INTERPRETATION

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

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

E. DUE DILIGENCE BY THE AMC

It is confirmed that:

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

Place: Mumbai
Date : June 08, 2023

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

SECTION II - INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

An open ended scheme replicating/ tracking Nifty IT Index

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The Scheme seeks to provide returns that, before expenses, correspond to the total return of the underlying index (Nifty IT Index), subject to tracking errors.

There is no assurance that the investment objective of the scheme will be achieved.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

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

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity and Equity Related Securities of companies constituting Nifty IT Index, the Underlying Index	95%	100%	Very High Risk
Cash and Cash Equivalents@	0%	5%	Low to Medium Risk

@ As per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021, Cash and Cash Equivalents will include following securities having residual maturity of less than 91 Days:

1. TREPS,
2. Treasury Bills,
3. Government securities, and
4. Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any.

The Scheme shall not invest in:

- a. Overseas securities/ADR/GDR
- b. Investment in our Own Mutual Fund Schemes or Other Mutual fund schemes
- c. Securitised Debt
- d. Repo in corporate debt and corporate reverse repo
- e. Short selling
- f. invest in unrated debt instruments
- g. Credit default swaps (CDS).
- h. Debt instruments having Structured Obligations / Credit Enhancements.
- i. Securities covered under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021
- j. Units of REITs and InvITs.

The underlying index shall comply with the below restrictions in line with SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2019/011 dated January 10, 2019:

- a) The index shall have a minimum of 10 stocks as its constituents.
- b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
- c) The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The net assets of the scheme will be invested in stocks constituting the Nifty IT Index. This would be done by investing in all the stocks comprising the Nifty IT Index in the same weightage that they

represent in the Nifty IT Index. A small portion of the net assets will be invested in Cash and Cash Equivalents.

Exposure to equity derivatives of the index itself or its constituent stocks may be undertaken when equity shares are unavailable, insufficient or for rebalancing in case of corporate actions for a temporary period on defensive considerations and portfolio shall be rebalanced within 7 calendar days.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. It can help in reducing the Tracking Error in the Scheme. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Equity Derivatives can be used as a tool for cash equitization and where the fund has got cash (within the maximum permissible asset allocation table), in case where rebalance comes, then instead of cash, index contract can be used for temporary basis. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the underlying index and will be easy to settle compared to physical portfolio of shares representing the underlying index. In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. The Scheme will not maintain any leveraged or trading positions.

Exposure to such derivatives will be restricted to 20% of net assets of the scheme. However, investment in derivatives will be for a temporary period on defensive considerations. The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within 7 calendar days from the date of such deviation.

the Scheme will not generally deploy more than 20% of its net assets in stock lending and not more than 5% of its net assets through a single intermediary (i.e the limit of 5% will be at broker level). The Scheme will enter into securities lending in accordance with the framework specified by SEBI in this regard.

As per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021, the cumulative gross exposure through equity, derivative position and other permitted securities/ asset class as may be permitted by the Board from time to time subject to regulatory approvals, if any shall not exceed 100% of the net assets of the scheme.

Rebalancing of deviation due to short term defensive consideration:

Any alteration in the investment pattern will be for a short term on defensive considerations as per SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021; the intention being at all times to protect the interests of the Unit Holders and the Scheme shall rebalance the portfolio within 7 calendar days.

It may be noted that no prior intimation/indication will be given to investors when the composition/asset allocation pattern under the Scheme undergoes changes within the permitted band as indicated above.

Portfolio rebalancing in case of passive breach:

In line with SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, in case of change in constituents of the index due to periodic review, the portfolio of Scheme shall be rebalanced within 7 calendar days.

Further, any transactions undertaken in the portfolio of Index Schemes in order to meet the redemption and subscription obligations shall be done while ensuring that post such transactions replication of the portfolio with the index is maintained at all points of time.

CHANGE IN INVESTMENT PATTERN

The Scheme, will hold all the securities that comprise the underlying Index in the same proportion as the index.

Expectation is that, over a period of time, the tracking error of the Scheme relative to the performance of the Underlying Index will be relatively low. The AMC would monitor the tracking error of the Scheme on an ongoing basis and would seek to minimize tracking error to the maximum extent possible. Under normal market circumstances, such tracking error is not expected to exceed by 2% p.a. for daily 12 month rolling return. However, in case of events like, dividend issuance by constituent members, rights issuance by constituent members, and market volatility during rebalancing of the portfolio following the rebalancing of the Underlying Basket, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. Since the Scheme is an exchange traded fund, it will endeavor that at no point of time the scheme will deviate from the index.

In the interest of investors and on defensive considerations, the AMC reserves the right to change the above asset allocation pattern due to corporate action activity undertaken in the underlying securities. The Scheme shall rebalance the portfolio in case of any deviation to the asset allocation. Such rebalancing shall be done within 7 calendar days from the date of such deviation.

D. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will invest in securities which are constituents of Nifty IT Index and in Cash and Cash Equivalents.

The corpus of the Scheme will be invested in various types of securities (including but not limited to) such as:

1. Equity and Equity related securities of companies constituting Nifty IT Index
2. Stock futures / index futures and such other permitted derivative instruments only for portfolio rebalancing.
3. Cash and Cash Equivalents.

Cash and Cash Equivalents will include following securities having residual maturity of less than 91 Days:

1. TREPS,
2. Treasury Bills,
3. Government securities, and
4. Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time subject to the regulatory approval, if any.

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

- i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- ii. Such short-term deposits shall be held in the name of the Scheme.
- iii. The Scheme shall not park more than 15% of their net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
- v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.
- vi. 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.

- vii. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

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

Further, due to corporate action in companies comprising of the index, the scheme may be allocated/allotted securities which are not part of the index. For example, the Fund may invest in stocks not included in the relevant underlying index in order to reflect various corporate actions (such as mergers) and other changes in the relevant underlying index (such as reconstitutions, additions, deletions and these holdings will be in anticipation and in the direction of impending changes in the underlying index)

Investments in Derivative Instruments

As part of the Fund Management process, the Scheme may use Derivative instruments such as index futures and options, stock futures and options contracts, warrants, convertible Securities, swap agreements or any other Derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the Scheme for a short period of time and the portfolio shall be rebalanced within 7 days.

Index futures/options are meant to be an efficient way of buying/selling an index compared to buying/selling a portfolio of physical shares representing an index for ease of execution and settlement. Index futures/options can be an efficient way of achieving the Scheme's investment objective. Notwithstanding the pricing, they can help in reducing the Tracking Error in the Scheme. Index futures/options may avoid the need for trading in individual components of the index, which may not be possible at times, keeping in mind the circuit filter system and the liquidity in some of the individual stocks. Index futures/options can also be helpful in reducing the transaction costs and the processing costs on account of ease of execution of one trade compared to several trades of shares comprising the underlying index and will be easy to settle compared to physical portfolio of shares representing the underlying index.

In case of investments in index futures/options, the risk/reward would be the same as investments in portfolio of shares representing an index. However, there may be a cost attached to buying an index future/option. The Scheme will not maintain any leveraged or trading positions.

Purpose of investment in Derivatives

- a) The Scheme shall fully cover its positions in the Derivatives market by holding underlying Securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the Derivatives market.
- b) The Securities held would be marked to market by the AMC to ensure full coverage of investments made in Derivative products at all times.

Trading in Derivatives

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

Key features of Trading in Derivatives

The use of derivatives provides flexibility to the Schemes only for the purpose of Portfolio Rebalancing. The following section describes some of the more common derivatives transactions with illustrations.

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

1. Futures

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

Currently, futures contracts have a maximum expiration cycle of 3 months. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry respectively. A new contract is introduced on the next trading day following the expiry of the relevant monthly contract. Futures contracts typically expire on the last Thursday of the month. For example a contract with the June 2022 expiration expires on the last Thursday of June 2022 (June 30, 2022).

Basic Structure of an Index Future

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

Example using hypothetical figures:

1-month ABC Index Future

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

Purchase Date	:	June 01, 2022
Spot Index	:	13800.00
Future Price	:	13900.00
Date of Expiry	:	June 30, 2022
Margin	:	10%

Assuming the exchange imposes a total margin of 10%, the Investment Manager will be required to provide a total margin of approx. Rs. 1390,000,000 (i.e. $10\% \times 13900 \times 2000 \times 50$) through eligible securities and cash.

Assuming on the date of expiry, i.e. June 30, 2022, ABC Index closes at 13950, the net impact will be a profit of Rs. 5,000,000 for the Scheme, i.e. $(13950 - 13900) \times 2000 \times 50$ (Futures price = Closing spot price = Rs. 13950.00)

Profits for the Scheme = $(13950 - 13900) \times 2000 \times 50 = \text{Rs. } 5,000,000$.

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

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

Basic Structure of a Stock Future

A futures contract on a stock gives its owner the right and obligation to buy or sell stocks. Single Stock Futures traded on NSE (National Stock Exchange) are physically settled; on the expiration

day, depending upon the side of the trade, security is either delivered or received against the payment. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading stock futures is no different from trading the security itself.

Example using hypothetical figures:

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

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

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

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

2. Options

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

An option contract may be of two kinds:

1) Call option

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

2) Put option

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

Option contracts are classified into two styles:

(a) European Style

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

(b) American Style

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

Basic Structure of an Equity Option

In India, options contracts on indices and stocks are European style and physically settled

Example using hypothetical figures:

Market type : N
Instrument Type : OPTSTK
Underlying : XYZ Ltd. (XYZ)
Purchase date : June 1, 2022

Expiry date : June 30, 2022
 Option Type : Put Option (Purchased)
 Strike Price : Rs. 5,750.00
 Spot Price : Rs. 5,800.00
 Premium : Rs. 200.00
 Lot Size : 100
 No. of Contracts : 50

Say, the Mutual Fund purchases on June 1, 2022, 1 month Put Options on XYZ Ltd. (XYZ) on the NSE i.e. put options on 5000 shares (50 contracts of 100 shares each) of XYZ.

If the share price of XYZ Ltd. falls to Rs. 5,500 /- on June 30, 2022 and the Investment Manager decides to exercise the option, the impact will be as Follows:

Premium Expense = Rs. 200 * 50 * 100 =
Rs. 10, 00,000/-

Stocks to be given at = Rs. 5,750/-

Profits for the Mutual Fund = (5,750.00-5,500.00)*50*100
= Rs. 12, 50,000/-

Net Profit = Rs. 12, 50,000 - Rs. 10,00,000 = Rs. 2,50,000/-

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

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

Exposure to Equity Derivatives

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

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

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

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

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

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

iv. Position limit for the Scheme:

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

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a Fund shall not exceed the higher of 1% of free float market capitalization (in terms of number of shares).
Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).

- b. This position limit shall be applicable on the combined position in all derivative contracts on a underlying stock at a Stock Exchange.
- c. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

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

Exposure Limits:

With respect to investments made in derivative instruments, the Scheme shall comply with the following exposure limits in line with SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010, point C (1) of Circular SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 04, 2021 and SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2021/580 dated June 18, 2021:

1. The cumulative gross exposure through equity, debt, derivative positions other permitted securities/assets and such other securities/assets as may be permitted by SEBI 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
2. The total exposure related to option premium must not exceed 20% of the net assets of the Scheme.
3. The Mutual Fund shall not write options or purchase instruments with embedded written options.
4. 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

E. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme will track its Underlying Index and will use a “passive” or indexing approach to endeavor to achieve scheme’s investment objective. The scheme will neither try to beat the index it tracks nor take active approach in times when markets seem to be over/under valued. The AMC does not make any judgments about the investment merit of a particular stock or a particular industry segment nor will it attempt to apply any economic, financial or market analysis. Since the scheme is an exchange traded fund, the scheme will only invest in the security constituting the underlying index.

Since the scheme is an exchange traded fund, it will endeavor that at no point of time the scheme will deviate from the index.

PORTFOLIO TURNOVER

Portfolio Turnover measures the volume of trading that occurs in a Scheme's portfolio during a given time period. The Scheme is an open-ended Exchange Traded Fund and it is expected that there may be a number of subscriptions and repurchases on a daily basis through Stock Exchange(s) or Market Makers and Large Investors. Generally, turnover will depend upon the extent of purchase and redemption of units and the need to rebalance the portfolio on account of change in the composition, if any, and corporate actions of securities included in Nifty IT Index. However, it will be the endeavor of the Fund Manager to maintain an optimal portfolio turnover rate commensurate with the investment objective of the Scheme and the purchase/ redemption transactions on an ongoing basis in the Scheme.

TRACKING ERROR & TRACKING DIFFERENCE

Tracking Error:

Tracking Error may arise due to reasons including but not limited to the following: -

- a. Expenditure incurred by the fund.
- b. The holding of a cash position and accrued income prior to distribution of income and payment of accrued expenses. The fund may not be invested at all times as it may keep a portion of the funds in cash to meet redemptions or for corporate actions.
- c. Securities trading may halt temporarily due to circuit filters.
- d. Corporate actions such as debenture or warrant conversion, rights, merger, change in constituents etc.
- e. Rounding off of quantity of shares in underlying index.
- f. Dividend payout.
- g. Disinvestments to meet redemptions, recurring expenses, IDCW payouts etc.
- h. Execution of large buy / sell orders
- i. Transaction cost (including taxes and insurance premium) and recurring expenses
- j. Realization of Unit holder's funds

It will be the endeavor of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances and force majeure which are beyond the control of the AMC, the tracking error may exceed 2% and the same shall be brought to the notice of the Board of Trustees with the corrective actions taken by the AMC, if any. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index.

Tracking Error of the Index Schemes based on past one year rolling data, shall be disclosed on a daily basis, on the website of AMC i.e. www.dspim.com and AMFI.

Tracking Difference:

Tracking Difference is defined as the annualized difference of daily returns between the index and the NAV of the ETF Schemes.

Tracking difference of the Scheme shall be disclosed on the website of the AMC i.e. www.dspim.com and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.

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 scheme replicating/ tracking Nifty IT Index

(ii) Investment Objective:

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

(iii) Terms of Issue:

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

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

- An application has been made with SEBI and views/comments of SEBI are sought on the proposal for fundamental attribute changes,
- A written communication about the proposed change is sent to each Unit Holder and an advertisement (Notice cum addendum) is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit Holders are given an option for a period of 30 days to exit at the prevailing NAV without any exit load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the scheme will be benchmarked against Nifty IT TRI.

The corpus of DSP Nifty IT ETF will be invested in all the stocks constituting Nifty IT TRI, in same weightage of the Index. The Scheme would endeavor to attain returns comparable to Nifty IT TRI, subject to the tracking error. The Benchmark has been chosen on the basis of the investment pattern/objective of the scheme and the composition of the index.

H. WHO WILL MANAGE THE SCHEME?

Fund Manager	Age	Total experience	Qualifications	Brief Experience	Other Scheme managed
Mr. Anil Ghelani	43 years	>23 years	Chartered Financial Analyst (CFA Institute USA) Chartered Accountant (ICAI India) B. Com. (H. R. College University of Mumbai)	Over 23 years of experience as under: From April 01, 2023 to till date - DSPAM Head of Passive Investments & Products From April 16, 2018 to March 31, 2023- DSPIM - Head of Passive Investments & Products. From January 2013 till date, DSP Pension Fund Managers Pvt. Ltd. - Business Head & Chief Investment Officer From December 2014 to April 15, 2018 - DSPIM - Senior Vice President, Products & Passive Investments From January 2006 - December 2012 - DSPIM - Head of Risk & Quantitative Analysis (RQA) From July 2003 to December 2005 - DSPIM - AVP - Fund Administration From February 2003 to July 2003 - IL&FS Asset Management Company - Asst. Manager - Fund Operations From February 2000 to January 2003 - S. R. Batliboi (member firm of Ernst & Young) - CA articleship till Jan 2002 Executive from Feb 2002 From August 1998 to June 2000 - V. C. Shah & Co., Chartered Accountants - CA articleship	DSP Quant Fund, DSP Nifty 50 Equal Weight Index Fund, DSP Nifty 50 Index Fund, DSP NIFTY 1D Rate Liquid ETF, DSP Nifty Next 50 Index Fund, DSP Nifty 50 Equal Weight ETF, DSP Nifty 50 ETF, DSP Nifty Midcap 150 Quality 50 ETF DSP Nifty Midcap 150 Quality 50 Index Fund, DSP Nifty Bank ETF
Mr. Diipesh Shah	44 years	>21 years	B Com , ACA, Candidate of the CFA Program, CFA Institute USA, Level I Cleared	Over 21 years of experience as under: From April 2023 to till date - DSPAM - Fund Manager - ETF and Passive Investments From November 2020 to to March 2023 - DSPIM - Fund Manager - ETF and Passive Investments. From September 2019 to October, 2020 - DSPIM - Dealer - ETF and Passive Investments. From August 2018 to September, 2019 - JM Financial Institutional Broking Limited as Institutional Equity Sales Trading. From June 2014 to July 2018 - Centrum Boking Limited as Institutional Equity Sales Trading. From September 2013 to June 2014 - JM Financial Institutional Broking Limited as Institutional Equity Sales Trading.	DSP Nifty 50 Equal Weight Index Fund, DSP Nifty 50 Index Fund, DSP NIFTY 1D Rate Liquid ETF, DSP Nifty Next 50 Index Fund, DSP Quant Fund, DSP Nifty 50 Equal Weight ETF, DSP Nifty 50 ETF, DSP Nifty Midcap 150 Quality 50 ETF DSP Nifty Midcap 150 Quality 50 Index Fund, DSP Nifty Bank ETF

Fund Manager	Age	Total experience	Qualifications	Brief Experience	Other Scheme managed
				From January 2011 to August 2013 - IDFC Securities Limited as Institutional Equity Sales Trading From July 2010 to September 2010 - Kotak Securities Limited as Institutional Equity Sales Trading	

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

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

1. The Mutual Fund under all its Scheme shall not own more than 10% of any company's paid up capital carrying voting rights.
2. 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. 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.
3. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that the Mutual Fund may engage in securities lending and borrowing in accordance with the framework specified by SEBI.

Provided further that the Mutual Fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by SEBI.

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

4. 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.
5. No Scheme shall make any investment in:
 - i. any unlisted security of any associate or group company of the Sponsors; or
 - ii. any security issued by way of private placement by an associate or group company of the Sponsors; or
 - iii. the listed securities of group companies of the Sponsors, which is in excess of 25% of the net assets.
6. 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.

7. The Scheme shall not make any investment in any fund of funds Scheme.

8. The Scheme shall not invest in ADR/GDR/overseas securities.
9. The Scheme shall not invest in its own Mutual Fund Schemes or Other Mutual fund schemes.
10. The Scheme will not invest in Securitized Debt.
11. The Scheme will not invest in Repo in corporate debt and corporate reverse repo.
12. The Scheme will not invest in unrated debt instruments
13. The Scheme will not invest in Credit Default Swaps.
14. The Scheme will not invest in Debt instruments having Structured Obligations / Credit Enhancements.
15. The Scheme will not invest in securities covered under SEBI circular SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021.
16. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed
17. No term loans for any purpose may be advanced by the Mutual Fund and the Mutual Fund shall not borrow except to meet temporary liquidity needs of the Scheme for the purpose of repurchase, redemption of Units or payment of interest or IDCWs to Unit Holders, provided that the Mutual Fund shall not borrow more than 20% of the net assets of each of the Scheme and the duration of such borrowing shall not exceed a period of six months.
18. If any company invests more than 5 percent of the NAV of any of the Scheme, investment made by that or any other Scheme of the Mutual Fund in that company or its subsidiaries will be disclosed in accordance with the SEBI (MF) Regulations.
19. The Mutual Fund may lend and borrow securities in accordance with the framework relating to securities lending and borrowing specified by SEBI.
20. The cumulative gross exposure through equity, debt and derivatives position other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time shall 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.
21. The underlying index shall comply with the below restrictions in line with SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2019/011 dated January 10, 2019:
 - a. The index shall have a minimum of 10 stocks as its constituents.
 - b. For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
 - c. The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
 - d. The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

The Scheme shall evaluate and ensure compliance to the aforesaid norms at the end of every calendar quarter.

22. Pending deployment of funds of the Scheme, the AMC may invest funds of the Scheme in short-term deposits of scheduled commercial banks, subject to the following conditions issued by SEBI vide its circular SEBI/IMD/CIR No. 1/91171 /07 dated April 16, 2007,

SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI/HO/IMD/DF2/CIR/P/2019/101 dated September 20, 2019

- i. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- ii. Such short-term deposits shall be held in the name of the Scheme.
- iii. The Scheme shall not park more than 15% of their net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- iv. The Scheme shall not park more than 10% of their net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
- v. The Trustee shall ensure that the funds of the Scheme are not parked in the short term deposits of a bank which has invested in the Scheme.
- vi. 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.
- vii. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

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

23. Following are investment restrictions for equity ETF/Index funds, however, the scheme does not intend to invest in debt and money market instruments:

- (a) 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 authorised to carry out such activity under the Act. 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 directors of the asset management company:
- (b) Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations:
- (c) Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with the Board:
- (d) Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its NAV.

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

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

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

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

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

J. HOW HAS THE SCHEME PERFORMED?

This being a new Scheme, there is no performance track record.

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	% of Scheme
This being a new Scheme, this is not available.	

Link to the scheme's latest monthly portfolio holding: <https://www.dspim.com/about-us/mandatory-disclosure/portfolio-disclosures>

Note: The portfolio shall be available, once the portfolio has been constructed.

SECTOR ALLOCATION

Sector wise break up

Sector	% of Scheme
This being a new Scheme, this is not available.	

Portfolio Turnover Ratio: This being a new Scheme, this is not available.

Aggregate investment in the scheme under the following categories:

Sr. no.	Category	Total amount invested (Amt in cr.)
1	AMC's Board of Directors	This being a new Scheme, this is not available.
2	Concerned scheme's Fund Manager(s)	
3	Other key managerial personnel	

K. INVESTMENT BY THE AMC:

In terms of sub-regulation 16(A) in Regulation 25 of SEBI (Mutual Funds) Regulations, 1996 read along with SEBI circular no. SEBI/HO/IMD/IMD-IDOF5/P/CIR/2021/624 dated September 2, 2021 and AMFI Best Practice Guidelines Circular No.100 /2022-23 on 'Alignment of interest of AMCs with the Unitholders of the Mutual Fund schemes', the AMC shall invest such amounts in such schemes of the mutual fund, based on the risks associated with the schemes, as may be specified by the SEBI from time to time. However, as per the circular, ETF Funds are exempted from the purview of the aforesaid circular.

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

The investment themes of the existing ETF of the Mutual Fund is as stated below:

Scheme Name	Investment Objective	Allocation	Number of Folios (April 30, 2023)	AUM as on April 30, 2023 (Rs. in crores)
DSP NIFTY 1D Rate Liquid ETF	<p>The investment objective of the Scheme is to seek to provide current income, commensurate with relatively low risk while providing a high level of liquidity, primarily through a portfolio of Tri-Party REPO), Repo in Government Securities, Reverse Repos and similar other overnight instruments.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>Tri-Party REPOs, Repo in Government Securities, Reverse Repos and any other similar overnight instruments as may be provided by RBI and approved by SEBI: 95% - 100%.</p> <p>Other Money Market Instruments with residual maturity of up to 91 days: 0% - 5%.</p>	4185	238.66
DSP Nifty 50 Equal Weight ETF	<p>The Scheme seeks to provide returns that, before expenses, closely correspond to the total return of the underlying index (NIFTY 50 Equal Weight Index), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>Equity and Equity Related Securities of companies constituting NIFTY50 Equal Weight Index, the Underlying Index: 95% - 100%.</p> <p>Cash and Cash Equivalents / Money Market Instruments with residual maturity not exceeding 91 days: 0% - 5%.</p>	3516	50.43
DSP Nifty Midcap 150 Quality 50 ETF	<p>The Scheme seeks to provide returns that, before expenses, closely correspond to the total return of the underlying index (Nifty Midcap 150 Quality 50 Index), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the</p>	<p>Equity and Equity Related Securities of companies constituting Nifty Midcap 150 Quality 50, the Underlying Index : 95% - 100%</p> <p>Cash and Cash Equivalents / Money Market Instruments with residual maturity not exceeding 91 days: 0% - 5%</p>	3146	71.53

Scheme Name	Investment Objective	Allocation	Number of Folios (April 30, 2023)	AUM as on April 30, 2023 (Rs. in crores)
	Scheme will be realized.			
DSP Nifty 50 ETF	<p>The Scheme seeks to provide returns that, before expenses, closely correspond to the total return of the underlying index (NIFTY 50 index), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>Equity and Equity Related Securities of companies constituting Nifty 50, the Underlying Index : 95% - 100%</p> <p>Cash and Cash Equivalents / Money Market Instruments with residual maturity not exceeding 91 days: 0% - 5%</p>	1233	10.83
DSP Silver ETF	<p>The scheme seeks to generate returns that are in line with the performance of physical silver in domestic prices, subject to tracking error.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>Silver and Silver Related Instruments : 95% - 100%</p> <p>Cash and Cash Equivalents : 0% - 5%</p>	694	39.57
DSP Nifty Bank ETF	<p>The Scheme seeks to provide returns that, before expenses, correspond to the total return of the underlying index (Nifty Bank Index), subject to tracking errors.</p> <p>There is no assurance that the investment objective of the Scheme will be realized.</p>	<p>Equity and Equity Related Securities of companies constituting Nifty Bank Index, the Underlying Index : 95% - 100%</p> <p>Cash and Cash Equivalents: 0% - 5%</p>	771	63.55

M. INTRODUCTION TO EXCHANGE TRADED FUNDS

An ETF is a passively managed product that provides exposure to an index or a basket of securities with the objective of generating returns as close to the index as possible. The key benefit of an ETF over traditional open-ended index funds is liquidity and availability of real-time market price on stock exchange. They can be bought and sold on the exchange at prices that are usually close to the actual

intra-day NAV of the Scheme. ETFs provide investors a fund that tracks the performance of an index with the ability to buy/sell on an intra-day basis. ETFs are structured in a manner which allows creating new units (called creation units) and redeem outstanding units directly with the fund, thereby ensuring that ETFs trade close to their actual NAVs.

ETFs are usually passively managed funds wherein subscription/redemption of units works on the concept of exchange with underlying securities. In other words, large investors/institutions can purchase units by depositing the underlying securities with the mutual fund/AMC and can redeem by receiving the underlying shares in exchange of units. Units can also be bought and sold directly on the exchange. ETFs have all the benefits of indexing such as diversification, low cost and transparency. As ETFs are listed on the exchange, costs of distribution are much lower and the reach is wider. These savings in cost are passed on to the investors in the form of lower costs. Furthermore, exchange traded mechanism helps reduce minimal collection, disbursement and other processing charges.

Tracking Error of ETFs is likely to be low as compared to a normal index fund. Due to the Creation/Redemption of units through the in-kind mechanism the mutual fund can keep lesser funds in cash. Also, time lag between buying/selling units and the underlying shares is much lower.

Benefits of ETFs

- a. Can be easily bought / sold like any other stock on the exchange through terminals spread across the country.
- b. Can be bought / sold anytime during market hours at prices that are expected to be close to actual NAV of the Scheme. Thus, investor invests at nearly the real-time prices as opposed to end of day prices.
- c. Ability to put limit orders.
- d. Protects long-term investors from the inflows and outflows of short-term investors. This is because the fund does not bear extra transaction cost when buying/selling due to frequent subscriptions and redemptions.
- e. Flexible as it can be used as a tool for gaining instant exposure to the equity markets, equitising cash, for arbitraging between the cash and futures market.

Market for ETFs:

The assets-under-management for ETFs which was approx. Rs 78,812 crores as of March 2018 has grown to nearly Rs. 506,192 crores in March 2023. The primary categories of ETFs in India are: Nifty 50 and Sensex based ETFs. Government Disinvestment mandates like CPSE, Bharat 22 and Bharat Bond, Banking Sector ETFs, and Gold. There are also few fixed income, smart beta, sectoral and thematic ETFs, tracking specified indices. Given the ETF market Globally has grown significantly over the past few years, there is a strong case that the size and breadth of the ETF market has a potential go up in India in years to come.

N. ABOUT THE INDEX

The NIFTY IT index captures the performance of the Indian IT companies. The NIFTY IT Index comprises of 10 companies listed on the National Stock Exchange (NSE).

The NIFTY IT index is computed using free float market capitalization method with a base date of Jan 1, 1996 indexed to a base value of 1000 wherein the level of the index reflects total free float market value of all the stocks in the index relative to a particular base market capitalization value. The base value of the index was revised from 1000 to 100 with effect from May 28, 2004.

Eligible Universe:

- i. Companies should form part of NIFTY 500 at the time of review. In case, the number of eligible stocks representing a particular sector within NIFTY 500 falls below 10, then deficit number of stocks shall be selected from the universe of stocks ranked within top 800 based on both average daily turnover and average daily full market capitalisation based on previous six months period data used for index rebalancing of NIFTY 500.

- ii. Companies should form a part of the IT sector.
- iii. The company's trading frequency should be at least 90% in the last six months.
- iv. The company should have a listing history of 6 months. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfils the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.
- v. Final selection of 10 companies shall be done based on the free-float market capitalization. A preference shall be given to companies that are available for trading in NSE's Futures & Options segment at the time of final selection.
- vi. Weightage of each stock in the index is calculated based on its free-float market capitalization such that no single stock shall be more than 33% and weightage of top 3 stocks cumulatively shall not be more than 62% at the time of rebalancing.

The index shall comply with the below mentioned portfolio concentration norms in line with SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2019/011 dated January 10, 2019:

- a) The index shall have a minimum of 10 stocks as its constituents.
- b) For a sectoral/ thematic Index, no single stock shall have more than 35% weight in the index. For other than sectoral/ thematic indices, no single stock shall have more than 25% weight in the index.
- c) The weightage of the top three constituents of the index, cumulatively shall not be more than 65% of the Index.
- d) The individual constituent of the index shall have a trading frequency greater than or equal to 80% and an average impact cost of 1% or less over previous six months.

Index Governance:

A professional team manages all NSE indices. There is a three-tier governance structure comprising the Board of Directors of NSE Indices Limited, the Index Advisory Committee (Equity) and the Index Maintenance Sub-Committee.

Index Rebalancing: Semi-annually

Constituent Weightage and Impact Cost:

Constituents of Nifty IT Index as on June 06, 2023:

Sr No	SECURITY_NAME	WEIGHTAGE	IMPACT COST
1	COFORGE LTD.	3.1	0.04
2	HCL TECHNOLOGIES LTD.	9.5	0.02
3	INFOSYS LTD.	23.8	0.02
4	L&T TECHNOLOGY SERVICES LTD.	2.0	0.04
5	LTIMINDTREE LTD.	8.5	0.03
6	MPHASIS LTD.	3.1	0.03
7	PERSISTENT SYSTEMS LTD.	4.9	0.04
8	TATA CONSULTANCY SERVICES LTD.	26.5	0.02
9	TECH MAHINDRA LTD.	8.8	0.03
10	WIPRO LTD.	9.8	0.02

SECTION III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

<p>New Fund Offer Period (This is the period during which a new scheme sells its units to the investors.)</p>	<p>NFO for DSP Nifty IT ETF</p> <p>Opens on: June 21, 2023 and Closes on: July 03, 2023</p> <p>As per SEBI circular SEBI/HO/IMD/IMD-RAC-2/P/CIR/2023/60 dated April 25, 2023, the NFO shall remain open for subscription for a minimum period of three working days. Further, as per SEBI Circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010 the maximum number of days for which the NFO will be open shall be 15 days.</p> <p>Extension or Termination of NFO Period In case the NFO Opening/ Closing Date is subsequently declared as a non-Business Day, the following Business Day will be deemed to be the NFO Opening/ Closing Date. The AMC/Trustee reserves the right to change the New Fund Offer Period, subject to the condition that the subscription list of the New Fund Offer Period shall not be kept open for more than 15 days. An addendum shall be uploaded on the AMC website i.e. www.dspim.com notifying the change in the NFO Dates / Period.</p>
<p>New Fund Offer (NFO) Price: (This is the price per unit that the investors have to pay to invest during the NFO.)</p>	<p>The units being offered will have a face value of Rs. 10/- each and will be issued at a premium, if any, approximately equal to the difference between face value and allotment price.</p> <p>The Allotment price for the NFO shall be approximately equal to 1/1000th of the value of Nifty IT Index on the date of allotment.</p>
<p>Minimum Amount for Application in the NFO</p>	<p>Rs. 5,000/-</p>
<p>Minimum Target amount (This is the minimum amount required to operate each Scheme and if this is not collected during the NFO period, all investors would be refunded the amount invested without any return. However, if the AMC fails to refund the amount within 5 business days from the closure of the NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of fifth business day from the date of closure of the subscription period.)</p>	<p>The Mutual Fund seeks to collect a minimum subscription amount of Rs. 5 (five) crore in the Scheme during the NFO period. In the event this amount is not raised during the NFO period, the amount collected under the Scheme will be refunded to the applicants as mentioned in the section, 'Refund'.</p>
<p>Maximum Amount to be raised (This is the maximum amount which can be collected during the NFO period, as decided by the AMC.)</p>	<p>There is no maximum subscription amount for the Scheme to be raised and therefore, subject to the applications being in accordance with the terms of this offer, full allotment will be made to the applicants.</p>
<p>Plans/Options available under the Scheme</p>	<p>Not Available.</p>
<p>IDCW Policy</p>	<p>There is no IDCW Policy as the Scheme currently does not offer any IDCW Option.</p>

<p>Dematerialisation</p>	<p>a) The units of the Scheme will be available ONLY in the Dematerialized mode. b) The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the application the DP's name, DP ID Number and beneficiary account number of the applicant with the DP. c) The units of the Scheme will be issued/ repurchased and traded compulsorily in dematerialized form. Applications without relevant details of his or her depository account are liable to be rejected.</p>
<p>Allotment</p>	<ul style="list-style-type: none"> • Allotment will be completed after due reconciliation of receipt of funds for all valid applications within 5 Business Days from the closure of the NFO period • Clear funds should be available to the Fund One business day prior to the date of allotment in respect of all purchase applications received during the NFO period. All cases where clear funds have not been identified or received for whatsoever reasons, including technical clearing reasons, will not be considered for allotment and the amount will be refunded to the investor in due course. The AMC will not entertain any claims of allotment or compensation in such cases. • 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. 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. As the Stock Exchange(s) do not allow trading of fractional units, Units will be allotted only in integers by rounding off the Units allotted to the lower integer and the balance amount will be refunded to the investor. • The Units issued by the AMC shall be credited by the Registrar to the investors' beneficiary account with the DP as per information provided in the application form and information of allotment will be accordingly sent by the Registrar. • The Mutual Fund reserves the right to recover from an investor any loss caused to the Scheme on account of dishonour of cheques issued by him/her/it for purchase of Units. <p>Final Allotment will be made in whole numbers. No fractional units will be allotted.</p> <hr/> <p>Net assets in the Scheme on the date of allotment/1/1000th of the benchmark index on the date of allotment</p> <p>Cash component mentioned above would be indicative cash component to handle refunds and for meeting fund expenses.</p> <p>Minimum Investment (Rs.) A = 5,000.00 Nifty IT Index price while creating basket/portfolio: B = 58,000 Allotment Price (1/1000th of Nifty IT Index Price) (Rs.) C = (B/1000) 58 No. of DSP Nifty IT ETF Units allotted (rounded off to whole number) D = A/C: 86 Value of units allotted (Rs.) E = C*D 4,988 Cash refunded (Rs.) F = A-E: 12</p> <p>In case of Transaction charges (applicable for investment of Rs 10,000 and above) Minimum Investment (Rs.) A = 10,000.00 Transaction charges for Rs 10,000 and above B = 100 Net Investment amount (A-B) C = 9,900.00 Nifty IT Index price while creating basket/portfolio D = 58,000 Allotment Price (1/1000th of Nifty IT Index Price) (Rs.) E = (D/1000) 58 No. of DSP Nifty IT ETF Units allotted (rounded off to whole number) F = C/E 170 Value of units allotted (Rs.) G = F*E 9860 Cash refunded (Rs.) H = C-G 40</p>

Allotment confirmation	<p>Information about allotment of Units stating the number of Units allotted shall be sent within 5 Business Days from the close of the NFO Period of the Scheme. 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.</p> <p>As the units of the Scheme will be issued, traded and settled compulsorily in dematerialized (electronic) form, the statement provided by the Depository Participant will be equivalent to the account statement.</p>
Refund	<ul style="list-style-type: none"> • If the Scheme fail to collect the minimum subscription amount of Rs. 5 Crore, the Mutual Fund shall be liable to refund the money to the applicants. • Refund of subscription money to applicants whose applications are invalid for any reason whatsoever, will commence immediately after the closure of the NFO subject to receipt of funds. • Refunds will be completed within 5 Business Days from the closure of the New Fund Offer Period. If the Mutual Fund refunds the amount after 5 Business Days, interest as specified by SEBI (currently, 15% per annum) shall be paid by the AMC. As per the directives issued by SEBI, it is mandatory for Applicants to mention their bank account numbers in their applications for purchase of Units.
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.)	<p>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:</p> <ul style="list-style-type: none"> • 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 • Mutual Funds registered under the SEBI (Mutual Funds) Regulations, 1996 • 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). <p>Note: For Investments 'On behalf of Minor': Where the investment is on behalf of minor by the guardian, please note the following important points.</p>

- 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.
- f. Payment towards subscription/investment through any mode in units of the schemes of Fund shall be accepted from the bank account of the minor, bank account of the parent or legal guardian of the minor, or from a joint bank account of the minor with parent or legal guardian.
- g. All redemption proceeds shall be credited only in the verified bank account of the minor or a joint bank account of the minor with the parent or legal guardian after completing all KYC formalities.

Further, all other requirement for investments by minor and process of transmission shall be followed in line with SEBI circular dated December 24, 2019 read with SEBI Circular dated May 12, 2023 as amended from time to time.

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

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 Company from time to time shall be accepted.

The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/ Trustee Company. The investor shall be responsible for complying with all the applicable laws for such investments. The AMC reserves the right to reject the transaction request or redeem with applicable exit load and TDS or reverse allotted units, as the case may be, as and when identified by the AMC, which are not in compliance with the terms and conditions notified in this regard.

	<ul style="list-style-type: none"> • 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. • Applicability and provisions of Foreign Account Compliance Act (FATCA) For further details relating to FATCA, investors are requested to refer SAI which is available on the website viz. www.dspim.com
<p>Where can you submit filled up applications for purchase?</p>	<p>During the NFO Applications can be submitted at any of the official points of acceptance of transactions before the close of the office business hours. The addresses are given at the end of this SID. Investors can log on to www.camsonline.com for details of various offices/ISCs of Registrar.</p> <p>The Investors can also purchase Units under the Scheme during NFO by placing an order through the stock exchange platform. Please refer to 'Trading in Units through Stock Exchange mechanism' under 'A. New Fund Offer Details', for detailed provisions.</p> <p>ASBA applications can be submitted only at SCSB at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (www.sebi.gov.in).</p>
<p>How to Apply?</p>	<ul style="list-style-type: none"> • Please refer to the SAI and application form for instructions. • Investors intending to trade in Units of the Scheme, will be required to provide demat account details in the application form, as mentioned under 'Dematerialisation'. • Investors intending to apply through ASBA will be required to submit ASBA form to their respective banks, which in turn will block the amount in their account as per authority contained in the ASBA form. ASBA form should not be submitted at location other than SCSB as it will not be processed. For details on ASBA process please refer the ASBA application form. <p>Application form and Key Information Memorandum may be obtained from Official Points of Acceptance (OPAs) / Investor Service Centres (ISCs) of the AMC or RTA or Distributors or can be downloaded from our website www.dspim.com.</p> <p>The list of the OPA / ISC are available on our website as well. Please refer to the SAI and Application form for further details and the instructions.</p>
<p>Listing and Transfer of Units</p>	<p>The Units of the scheme will be listed on National Stock Exchange of India Limited and BSE Ltd and/or any recognised stock exchanges as may be decided by AMC from time to time. The Units of the Scheme may be bought or sold on all trading days at prevailing listed price on such Stock Exchange(s). The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote (buy and sell quotes) in the market.</p> <p>Alternatively, the Market Makers and Large Investors may subscribe to and/or redeem the units of the Scheme with the Mutual Fund on any business day during the ongoing offer period commencing not later than 5(five) business days from the date of allotment at a price equivalent to applicable NAV and transaction charges, if any, provided the units offered for subscription and/or redemption are not less than Creation Unit size & in multiples thereof.</p> <p>All investors including Market Maker(s), Large Investors and other investors may sell their units in the stock exchange(s) on which these units will be listed on all the trading days of the stock exchange.</p>

	<p>Mutual fund will repurchase units from Market Maker(s) and Large Investors on any business day provided the value of units offered for repurchase is not less than creation unit size. The redemption consideration shall normally be the basket of securities represented Nifty IT Index in the same weightage as in the Index and cash component.</p>
Trading in Units through Stock Exchange Mechanism	<p>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 BSE and/or NSE in accordance with the guidelines issued by SEBI and operating guidelines and directives issued by NSE and/or BSE or such other recognized stock exchange in this regard and agreed with the Asset Management Company/Registrar and Transfer Agent. The investor shall be serviced directly by such stock brokers/ Depository Participant. The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of Units bought under this facility in demat mode.</p> <p>Transactions conducted through the Stock Exchange mechanism shall be governed by the SEBI (Mutual Funds) Regulations 1996 and operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.</p> <p>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, investors can directly buy/redeem Units of the Scheme(s) through stock exchange platform.</p>
Payment details	<p>The CTS enabled cheque or demand draft should be drawn in favour of the 'Scheme Name', as the case may be, and should be crossed Account Payee Only.</p> <p>Applications not specifying Schemes/Plans/Options and/or accompanied by cheque/demand drafts/account to account transfer instructions favouring Schemes/Plans/Options other than those specified in the application form are liable to be rejected.</p> <p>Further, 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.</p>
Special facilities available during the NFO	<p>Switching</p> <p>During the NFO period switch request will be accepted upto 3.00 p.m. as per the timelines stated below, The Unit holders will be able to invest into the NFO of the Scheme by switching part or all of their Unit holdings held in the existing schemes of the Mutual Fund.</p> <p>a) For T+1 payout schemes till 3.00 p.m. on the last day of the NFO, b) For T+3 payout schemes till 3.00 p.m. 1 business day prior to the last day of the NFO, c) For T+5 payout schemes till 3.00 p.m. 3 business days prior to the last day of the NFO</p> <p>The funds from the switch out schemes into the switch in scheme should be received within T+2 days from the date of closure of the NFO.</p> <p>Any switch applications received beyond the above mentioned timelines will be rejected.</p> <p>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. The price at which the units will be switched-out will be based on the redemption price of the scheme from which switch-out is done and the proceeds will be invested into the Scheme at the NFO Price.</p> <p>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</p>

	<p>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.</p> <p>Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding should also be made on the T+3 and not earlier or later than T+3, where T is the day of transaction. The funds from the switch out schemes into the switch in scheme should be received within One business day prior to the allotment date.</p> <p>If the NFO of the scheme is called off for any reason whatsoever, the Switch Out amount from other schemes to the NFO scheme will be paid to the investor within 5 Business Days of the closure of the NFO, similar to a redemption from Switch out scheme. Investors should note that the Switch transaction will not be nullified and the switch amount will be paid out as redemption. Further, such payments will not qualify as delayed payments and no interest will be payable by the Fund/AMC/RTA in such cases where the payment date is beyond 10 days of the switch out date, as the switch transactions are accepted from the first day of the entire NFO period and the NFO may be called off after the closure of NFO</p> <p>(i) Applications Supported by Blocked Amount (ASBA) facility ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques/ demand drafts are used as a mode of payment. Please refer ASBA application form for detailed instructions. Please refer the SAI and ASBA application form for complete details on ASBA.</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the Scheme or the AMC) involved in the same.</p>	<p>Not Applicable.</p>
<p>Restrictions, if any, on the right to freely retain or dispose off units being offered.</p>	<p>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.</p> <p>Suspension/Restriction on Redemption of Units of the Scheme(s):</p> <p>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:</p> <ol style="list-style-type: none"> 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).

	<p>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.</p> <p>When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied:</p> <ol style="list-style-type: none"> 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. <p>Also refer to the section 'Suspension of Purchase and Redemption of Units' in the Statement of Additional Information.</p>
<p>Facility to transact in units of the Schemes through MF Utility portal & MFUI Points of Services pursuant to appointment of MF Utilities India Pvt. Ltd.</p>	<p>The AMC has entered into an Agreement with MF Utilities India Pvt. Ltd. (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.</p> <p>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.</p> <p>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.</p> <p>The salient features of the facility to transact in units of the Schemes through MFU are given below:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>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.</p> <p>CAN registered investors can transact in physical mode through MFUI POS by submitting relevant Common Transaction Form prescribed by MFUI.</p> <ol style="list-style-type: none"> 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

	<p>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.</p> <p>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.</p> <p>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.</p> <p>5. 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.</p>
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B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>(This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period)</p>	<p>The Scheme shall re-open for ongoing subscription within 5 business days from the date of allotment.</p>
<p>Plans and Options offered under the Scheme</p>	<p>Presently the Scheme does not offer any Plans/Options under the Scheme. The AMC/Trustee reserves the right to introduce Plan(s)/Option(s) as may be deemed appropriate at a later date.</p>
<p>Ongoing price for subscription (purchase) by investors:</p>	<ul style="list-style-type: none"> • For Subscription of units directly with the Mutual Fund: <p>Ongoing purchases directly from the Mutual Fund would be restricted to Market Makers and Large Investors, provided the value of units to be purchased is in Creation Unit size and in multiples thereof. Market Makers / Large Investors may buy the units on any Business Day of the Scheme directly from the Mutual Fund at Intra Day NAV:</p> <ul style="list-style-type: none"> ▪ in exchange of the Portfolio Deposit, Cash Component and any other applicable transaction charges; or ▪ by depositing basket of securities comprising Nifty IT Index along with the cash component and applicable transaction charges. <p>The Creation Unit size will be 25,000 units.</p> <p>No kind of credit facility would be extended during creation of units. The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p> <ul style="list-style-type: none"> • For Subscription through Stock Exchange(s): <p>All categories of investors may purchase the Units of the Scheme through the Stock Exchange(s) on which the units of the Scheme are listed, on any trading day in round lot of one (1) Unit and multiples thereof at the prevailing listed price. The transactions (trading) in the Stock Exchange(s) shall be subject to the Regulations, Bye laws and Rules applicable to the Stock Exchanges and its clearing house respectively. The trading members shall be responsible for delivering the units to the demat account of the investors on successful completion of settlement. Investors are advised to contact their trading members to understand the various cut-off times to meet their fund pay-in obligations for ensuring successful settlement of their transactions.</p>

Note:

Market Maker/Large Investor for subscription/redemption of DSP Nifty IT ETF Units directly with the Fund in “Creation Unit Size” will have to reimburse transaction handling charges incurred by the Fund/AMC. Transaction handling charges include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges, corporate action charges and such other charges that the mutual fund may have to incur in the course of cash subscription/redemption or accepting the Portfolio Deposit or for giving a portfolio of securities as consideration for a redemption request.

The AMC will appoint Market Makers to provide liquidity in secondary market on an ongoing basis. The Market Maker(s) would offer daily two-way quote in the market. The applicant under the Scheme will be required to have a beneficiary account with a Depository Participant of NSDL/CDSL and will be required to indicate in the Application Form the Depository Participants (DP"s) name, DP ID Number and the beneficiary account number of the applicant.

Procedure for creation of DSP Nifty IT ETF units in Creation Unit size:

- The Fund/AMC allows cash/exchange of Portfolio Deposit for Purchase of Units of the Scheme in Creation Unit size by Large Investors/Market Makers.

Purchase request for Creation Unit shall be made by such Investor to the Fund/AMC where upon the Fund/AMC will arrange to buy the underlying portfolio Securities. The Portfolio Deposit and/or Cash Component will be exchanged for units of the Scheme in Creation Unit size.

- Creation of Units in exchange of Portfolio Deposit: The requisite Securities constituting the Portfolio Deposit have to be transferred to the Fund's Depository Participant account while the Cash Component has to be paid to the Fund's bank account. On confirmation of the same by the Custodian/AMC, the AMC will create and transfer the equivalent number of Units of the Scheme into the Investor's Depository Participant account and pay/ recover the Cash Component and transaction handling charges, if any.
- Creation of Units in Cash: For subscription of DSP Nifty IT ETF Units in Creation Unit Size will be made by payment of requisite Cash, as determined by the AMC equivalent to the cost incurred towards the purchase of predefined basket of securities that represent the underlying index (i.e. portfolio deposit), Cash Component and transaction handling charges, if any, only by means of payment instruction of Real Time Gross Settlement (RTGS) / National Electronic Funds Transfer (NEFT) or Funds Transfer Letter of a bank where the Scheme has a collection account.
- The Creation Unit will be subject to transaction handling charges incurred by the Fund/AMC. Such transaction handling charges shall be recoverable from the transacting Market Maker or Large Investor.
- The Portfolio Deposit and/or Cash Component for units of the Scheme may change from time to time on account of change in underlying index constituents, corporate actions, percentage of cash maintained in the fund, etc.
- The investors are requested to note that the Units of the Scheme will be credited into the Investor's Depository Participant account only on receipt of Cash Component and transaction handling charges, if any.

“Creation Unit size” is fixed number of units of the Scheme, which is exchanged for a pre-defined basket of securities underlying the designated index called

	<p>the Portfolio Deposit and/or a Cash Component equal to the value of 25,000 units of the Scheme. Each Creation Unit size consists of 25,000 units of DSP Nifty IT ETF. Each unit of DSP Nifty IT ETF will be approximately equal to the 1/1000th value of the Nifty IT Index.</p>
<p>Ongoing price for redemption (sale) by investors:</p>	<p>a. For Redemption of units directly with the Mutual Fund: (Market Makers & Large Investors)</p> <p>Mutual Fund will repurchase units from Market Makers / Large Investors on any Business Day in Creation Unit size at applicable intra-day NAV, based on the executed price at which the securities representing the underlying index are purchased/sold, subject to applicable exit load; if any. Currently there is no Exit Load. However, transaction charges payable to Custodian/Depository Participants, and other incidental charges relating to conversion of units into basket of securities may be deducted from redemption proceeds.</p> <p>b. For Redemption of units directly with the Mutual Fund: (Other than Market Makers) in exceptional circumstances:</p> <ol style="list-style-type: none"> i. Traded price (closing price) of the ETF units is at discount of more than 1% to the day end NAV for 7 continuous trading days, or ii. No quotes for such ETFs are available on stock exchange(s) for 3 consecutive trading days, or iii. Total bid size on the exchange is less than half of creation units size daily, averaged over a period of 7 consecutive trading days. <p>Such instances shall be tracked by the AMC on an ongoing basis and in case any of the above mentioned scenario arises, the same shall be disclosed on the website of the Mutual Fund.</p> <p>In case of the above scenarios, applications received from investors for redemption up to 3.00 p.m. on any trading day, shall be processed by the AMC at the closing NAV of the day.</p> <p>c. For Redemption through Stock Exchange(s):</p> <p>All categories of investors may sell the Units of the Scheme through the Stock Exchange(s) on which the units of the Scheme are listed, on any trading day in round lot of one (1) Unit and multiples thereof.</p> <p>Note: The transaction handling charges which include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges and such other charges that the mutual fund/AMC may have to incur in the course of cash subscription/ redemption or accepting the portfolio deposit or for giving a portfolio of securities as consideration for a redemption request, shall be recoverable from the transacting Market Maker or Large Investor. As required under the Regulations, while determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 95 per cent of the Net Asset Value.</p> <p>Procedure for Redemption in Creation Unit size</p> <ul style="list-style-type: none"> • The requisite number of Units of the Scheme equivalent to the Creation Unit has to be transferred to the Fund's Depository Participant account and the Cash Component to be paid to the Fund's bank account. • On confirmation of the same by the AMC, the AMC will transfer the Portfolio Deposit to the Investor's Depository Participant account and pay/recover the Cash Component and transaction handling charges, if any.

- The Fund may allow cash Redemption of the Units of the Scheme in Creation Unit size by Large Investors/ Market Maker.
- Such Investors shall make Redemption request to the Fund/AMC whereupon the Fund/AMC will arrange to sell underlying portfolio Securities on behalf of the Investor. Accordingly, the sale proceeds of portfolio Securities, after adjusting the Cash Component and transaction handling charges will be remitted to the Investor.

Note:

1. The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC's website.
2. Transaction handling charges include brokerage, Securities transaction tax, regulatory charges if any, depository participant charges, uploading charges and such other charges that the mutual fund may have to incur in the course of cash subscription/redemption or accepting the Portfolio Deposit or for giving a portfolio of securities as consideration for a redemption request. Such transaction handling charges shall be recoverable from the transacting Market Maker or Large Investor.
3. The Portfolio Deposit and / or Cash Component for DSP NIFTY IT ETF may change from time to time.
4. The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying securities.
5. AMCs shall facilitate in-kind creation and redemption of units of Scheme by MMs on a best effort basis.

The procedure relating to purchase and sale of units by different types of investors/participants in the Scheme is tabulated for easy reference:

Type of investor and transaction details	Sale of Units By Mutual Fund	Redemption of units by Unit holders
During Continuous Offer: Market Makers/ Large Investor	Any Business Day in Creation Unit* Size and in multiple thereof. Only through stock exchange(s)	Any Business Day in Creation Unit* Size and in multiple thereof. Only through stock exchange(s).
Role of Market Maker	Gives two way quotes in the secondary market. Stands as a seller for a buy order.	Gives two-way quotes in the secondary market. Stands as a buyer against a sell order.
Role of large investor	Only an investor - no other role in the scheme operations.	

Restrictions, if any, on the right to freely retain or dispose off units being offered

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.

Suspension/Restriction on Redemption of Units of the Scheme

	<p>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:</p> <ol style="list-style-type: none"> 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). <p>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.</p> <p>When restriction on / suspension of redemption of Units of the Scheme(s) is imposed, the following procedure shall be applied:</p> <ol style="list-style-type: none"> 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. <p>Also refer to the section ‘Suspension of Purchase and Redemption of Units’ in the Statement of Additional Information.</p>
<p>Cut off timing for subscriptions/ redemptions</p>	<p>In case of Purchase / Redemption directly with Mutual Fund:</p> <p>The Cut-off time for receipt of valid application for Subscriptions and Redemptions is 3.00 p.m. However, as the Scheme is an Exchange Traded Fund, the Subscriptions and Redemptions of Units would be based on the Portfolio Deposit and Cash Component as defined by the Fund for that respective Working Day.</p> <p>Pursuant to the SEBI Circular no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, the requirement of “cut-off” timing for NAV applicability as prescribed by SEBI from time to time shall not be applicable for direct transaction with AMCs in ETFs by Market Makers and other eligible investors.</p> <p>Settlement of Purchase/Sale of Units of the Scheme on Stock Exchange:</p> <p>Buying/Selling of Units of the Scheme on Stock Exchange is just like buying/selling any other normal listed security. If an investor has bought Units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the Stock Exchange(s). If an investor has sold Units, an investor has to deliver the Units to the broker/sub-broker before the securities payin day of the settlement cycle on the Stock Exchange(s). The Units (in the case of Units bought) and the funds (in the case of Units sold) are paid out to the broker on the pay-out day of the settlement cycle on the Stock Exchange(s). The Stock</p>

	<p>Exchange(s) regulations stipulate that the trading member should pay the money or Units to the investor within 24 hours of the pay-out.</p> <p>If an investor has bought Units, he should give standing instructions for “Delivery-In” to his /her/its DP for accepting Units in his/her/its beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her/its DP to his/ her/its trading member. The trading member will transfer the Units directly to his/her/ its beneficiary account on receipt of the same from NSE’s/ BSE’s Clearing Corporation. An investor who has sold Units should instruct his/her/its Depository Participant (DP) to give “Delivery Out” instructions to transfer the Units from his/her/its beneficiary account to the Pool Account of his/her/its trading member through whom he/she/it have sold the Units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the Units are to be transferred, Unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.</p> <p>Rolling Settlement</p> <p>As per the SEBI’s circular dated March 4, 2003, the rolling settlement on T+2 basis for all trades has commenced from April 1, 2003 onwards. The Pay-in and Pay-out of funds and the Units will take place within 2 working days after the trading date. The pay-in and pay-out days for funds and securities are prescribed as per the Settlement Cycle. A typical Settlement Cycle of Rolling Settlement is given below:</p> <p>Day Activity:</p> <table border="1" data-bbox="619 1137 1544 1339"> <tr> <td>T</td> <td>The day on which the transaction is executed by a trading member</td> </tr> <tr> <td>T+1</td> <td>Confirmation of all trades including custodial trades by 11.00 a.m.</td> </tr> <tr> <td>T+1</td> <td>Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.</td> </tr> <tr> <td>T+2</td> <td>Pay-in of funds and securities by 11.00 a.m.</td> </tr> <tr> <td>T+2</td> <td>Pay out of funds and securities by 1.30 p.m.</td> </tr> </table> <p>While calculating the days from the Trading day (Day T), weekend days (i.e. Saturday and Sundays) and stock exchange / bank holidays are not taken into consideration.</p>	T	The day on which the transaction is executed by a trading member	T+1	Confirmation of all trades including custodial trades by 11.00 a.m.	T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.	T+2	Pay-in of funds and securities by 11.00 a.m.	T+2	Pay out of funds and securities by 1.30 p.m.
T	The day on which the transaction is executed by a trading member										
T+1	Confirmation of all trades including custodial trades by 11.00 a.m.										
T+1	Processing and downloading of obligation files to brokers/custodians by 1.30 p.m.										
T+2	Pay-in of funds and securities by 11.00 a.m.										
T+2	Pay out of funds and securities by 1.30 p.m.										
<p>Where can the applications for purchase/redemption be submitted?</p>	<p>On an Ongoing basis the transaction requests (applicable for Market Makers/Large Investors) can be submitted at the head office of the AMC. In case the applications are received at any of the branch offices of the AMC, such branch office shall facilitate in sending the transaction requests to the head office of the AMC.</p> <p>Minimum Application Amount (subscription/redemption/switches):</p> <p>On The Exchange:</p> <p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the Stock Exchange on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p>										

	<p>Directly from the Fund:</p> <p>The Scheme offers for subscriptions/redemptions only for Market Makers and Large Investors in “Creation Unit Size” on all Business Days. Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units of the Scheme including the Cash Component and transaction handling charges, if any, will have to be borne by the Market Maker/Large Investor.</p> <p>The Fund creates/redeems Units of the Scheme in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 25,000 Units of DSP Nifty IT ETF. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 25,000 Units of the Scheme and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time.</p> <p>The subscription/redemption of Units of the Scheme in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p>
<p>Minimum amount for Purchase/Redemption</p>	<p>Investors can subscribe (buy) and redeem (sell) Units on a continuous basis on the NSE/BSE on which the Units are listed. Subscriptions made through Stock Exchanges will be made by specifying the number of Units to be subscribed and not the amount to be invested. On the Stock Exchange(s), the Units of the Scheme can be purchased/sold in minimum lot of 1 (one) Unit and in multiples thereof.</p> <p>The Scheme offers for subscriptions/redemptions only for Market Makers and Large Investors in ‘Creation Unit Size’ on all Business Days at a price determined on the intra-day NAV based on the executed price at which the securities representing the underlying index are purchased/sold.</p> <p>Additionally, the difference in the value of portfolio and cost of purchase/sale of Portfolio Deposit on the Exchange for creation/redemption of Units including the Cash Component and transaction handling charges, corporate action charges, if any, will have to be borne by the Market Maker/Large Investor.</p> <p>The Fund creates/redeems Units in large size known as “Creation Unit Size”. Each “Creation Unit” consists of 25,000 Units. The value of the “Creation Unit” is the “Portfolio Deposit” and a “Cash Component” which will be exchanged for 25,000 Units and/or subscribed in cash equal to the value of said predefined units of the Scheme.</p> <p>The Portfolio Deposit and Cash Component for the Scheme may change from time to time.</p> <p>The subscription/redemption of Units in Creation Unit Size will be allowed both by means of exchange of Portfolio Deposit and by cash.</p> <p>The Fund may from time to time change the size of the Creation Unit in order to equate it with marketable lots of the underlying instruments.</p>
<p>Minimum balance to be maintained and consequences of non maintenance</p>	<p>There is no minimum balance requirement.</p>

Special Products available	Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) Systematic Withdrawal Plan (SWP) are not available under this Scheme.
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.
IDCW	The Scheme does not offer any Plans/ IDCW Options for investment. The AMC/Trustee reserves the right to introduce Plan(s)/Option(s) as may be deemed appropriate at a later date.
Redemption	Redemption or repurchase proceeds shall be dispatched to the unitholders within 3 working days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase proceeds	As per SEBI (MF) Regulations, the Mutual Fund shall despatch the redemption proceeds within 3 Working Days from the date of redemption/repurchase request. In the event of delay/failure to transfer the redemption/repurchase proceeds within the aforesaid 3 Working Days, the AMC will be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI for the period of such delay (currently @ 15% per annum). Investor may note that in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023 read with SEBI Circular no. SEBI/HO/IMD/IMD-I DOF2/P/CIR/2022/161 dated November 25, 2022, the AMC may not be able to adhere with the timelines prescribed above.
Unclaimed Redemptions and IDCWs	In terms of circular dated February 25, 2016 read with SEBI Circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2021, as amended from time to time, the treatment of unclaimed redemption and dividend amounts is specified in SAI.
Transfer of Units	In accordance with SEBI circular number CIR/IMD/DF/10/2010 dated August 18, 2010, units of all DSP Nifty IT ETF which that are held in demat form, will be transferable and will be subject to the transmission facility in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time. If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the transfer may be effected in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, provided the transferee is otherwise eligible to hold the Units. Pledge of Units for Loans Units can be pledged by the Unit Holders as security for raising loans, subject to any rules/restrictions that the Trustee may prescribe from time to time. Since the units shall be 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.

<p>Bank Account Details / Multiple Bank Account Registration</p>	<p>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.</p> <p>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.</p>
<p>Change of Bank</p>	<p>For investors holding Units in demat mode, the procedure for change in bank details would be as per the instructions given by their respective Depository Participant(s).</p> <p>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.</p>
<p>Process for change of address</p>	<p>As units would be in demat mode, the procedure for change in address would be as determined by the depository participant.</p> <p>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.</p>
<p>Non acceptance of third party payment</p>	<p>In case of subscriptions, the Mutual Fund shall verify the bank account from which the funds have been paid for the subscription. In case it is identified that the funds have not come from the investor’s bank account, the subscription will be rejected. Please refer SAI for Details.</p>
<p>Example of Creation and Redemption of Units</p>	<p>The example of Creation Unit as on August 01, 2022 for DSP Nifty IT ETF is as follows:</p>

Sr No.	Constituent Name	Close Price	Quantity	Value
1	Asian Paints Ltd	3,323.75	10	33,237.50
2	Axis Bank Ltd	730.95	59	43,126.05
3	Bajaj Finance Ltd	7,260.45	6	43,562.70
4	Bajaj Finserv Ltd	15,072.30	2	30,144.60
5	Bharti Airtel Ltd	694.2	52	36,098.40
6	Dr Reddy's Laboratories Ltd	4,111.80	3	12,335.40
7	HCL Technologies Ltd	951.75	24	22,842.00
8	HDFC Bank Ltd	1,445.15	94	1,35,844.10
9	Hindustan Unilever Ltd	2,593.15	20	51,863.00
10	Housing Development Finance Corp	2,382.00	39	92,898.00
11	ICICI Bank Ltd	823.3	149	1,22,671.70
12	IndusInd Bank Ltd	1,040.85	13	13,531.05
13	Infosys Ltd	1,550.60	79	1,22,497.40
14	ITC Ltd	307.55	187	57,511.85
15	Kotak Mahindra Bank Ltd	1,854.55	28	51,927.40
16	Larsen & Toubro Ltd	1,814.20	26	47,169.20
17	Mahindra & Mahindra Ltd	1,236.35	21	25,963.35
18	Maruti Suzuki India Ltd	9,004.00	3	27,012.00
19	Nestle India Ltd	19,257.90	1	19,257.90
20	NTPC Ltd	156.6	102	15,973.20
21	Power Grid Corp of India Ltd	219.1	73	15,994.30
22	Reliance Industries Ltd	2,575.10	74	1,90,557.40
23	State Bank of India	533.6	82	43,755.20
24	Sun Pharmaceutical Industries Ltd	918.55	24	22,045.20
25	Tata Consultancy Services Ltd	3,299.20	22	72,582.40
26	Tata Steel Ltd	108.25	170	18,402.50
27	Tech Mahindra Ltd	1,049.60	14	14,694.40
28	Titan Co Ltd	2,376.65	9	21,389.85
29	UltraTech Cement Ltd	6,658.70	3	19,976.10
30	Wipro Ltd	429	32	13,728.00

Cash component will be arrived at in the following manner

Nifty IT Index value as on August 01, 2022	58,115.50
No. of units comprising one unit size	25,000.00
NAV/unit * approx 1/1000 of Nifty IT Index)	58.1155
Value of 1 creation unit (25,000*58.1155)	14,52,887.50
Value of portfolio deposit (predefined basket of securities of Nifty IT Index)	14,38,592.15
Cash component	14,295.35

The above is just an example to illustrate the calculation of cash component.

Cash Component will vary depending upon the actual charges incurred like Custodial Charges and other incidental charges for creating units.

Nomination	Since the units of the scheme will be issued in electronic form in the depository account of the unit holder, the nomination registered with the Depository will be applicable to the units of the scheme.
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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 first NAV will be calculated and declared within 5 Business days from the date of allotment. Thereafter, the Mutual Fund shall declare the NAV of the Scheme on every Business Day, on AMFI's website www.amfiindia.com , by 11.00 p.m. and also on website of Mutual Fund www.dspim.com . The information on NAVs of the Scheme/plans may be obtained by the Unit Holders, on any day, by calling the office of the AMC or any of the Investor Service Centres at various locations.</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 unitholders through SMS, upon receiving a specific request in this regard. Refer relevant disclosures mentioned in the SAI available on AMC website i.e. www.dspim.com.</p>
<p>Half yearly Disclosures: Portfolio/Financial Results (This is a list of securities where the corpus of the 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 unitholder.</p>
<p>Half Yearly Financial Results</p>	<p>The Fund shall, before the expiry of one month from the close of each half year, (i.e. March 31 and September 30) shall display the unaudited financial results on www.dspim.com and the advertisement in this regards will be published by the Fund in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Fund is situated.</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 investor's who have registered their email address with the Fund not later than four months from the date of the closure of the relevant financial year i.e. March 31 each year.</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 unitholders who have 'opted-in' to receive physical copies. The opt-in</p>

	<p>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>Unitholders who still wish to receive physical copies of the annual report/abridged summary notwithstanding their registration of e-mail addresses with the Fund, may indicate their option to the AMC in writing and AMC shall provide abridged summary of annual report without charging any cost. Physical copies of the report will also be available to the unitholders at the registered offices at all times. For request on physical copy refer relevant disclosures mentioned in the SAI available on AMC website i.e. www.dspim.com</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>
Monthly Portfolio Disclosure	The monthly portfolio of the Scheme shall be available in a user-friendly and downloadable format on the website viz. www.dspim.com on or before the tenth day of succeeding month.
Risk-o-meter	<p>In accordance with SEBI circular SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/555 dated April 29, 2021 and SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/621 dated August 31, 2021, AMC based on internal assessment shall disclose the following in all disclosures, including promotional material or that stipulated by SEBI:</p> <p>a. risk-o-meter of the scheme wherever the performance of the scheme is disclosed</p> <p>b. risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-à-vis that of the benchmark is disclosed.</p> <p>The portfolio disclosure shall also include the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark.</p> <p>Further, pursuant to SEBI circular dated October 05, 2020, Risk-o-meters shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meters along with portfolio disclosure for their schemes on AMCs website and on AMFI website within 10 days from the close of each month. Mutual Funds shall also disclose the risk level of schemes as on March 31 of every year, along with number of times the risk level has changed over the year, on AMCs website and AMFI website.</p> <p>Investors may please note that the Risk-o-meter disclosed is basis internal assessment of the scheme portfolio as on the date of disclosure.</p>
Associate Transactions	Please refer the SAI.
Monthly Dashboard	In accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016, the AMC has developed a dashboard on the website wherein the investor can access information relating to scheme's AUM, investment objective, expense ratios, portfolio details and past performance of each scheme.
Tracking Error & Tracking Difference	<p>Tracking Error: Tracking Error of the Scheme based on past one year rolling data, shall be disclosed on a daily basis, on the website of AMC i.e. www.dspim.com and AMFI.</p> <p>Tracking Difference: Tracking Difference shall be disclosed on the website of the AMC (i.e. www.dspim.com) and AMFI, on a monthly basis, for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units.</p>
Issuer/Group/Sector Disclosure	<p>The Scheme shall disclose the following on monthly basis:</p> <p>i. Name and exposure to top 7 issuers and stocks respectively as a percentage of NAV of the scheme</p>

	<p>ii. Name and exposure to top 7 groups as a percentage of NAV of the scheme.</p> <p>iii. Name and exposure to top 4 sectors as a percentage of NAV of the scheme.</p> <p>Any change in constituents of the index, if any, shall be disclosed on the AMC website i.e. www.dspim.com on the day of change.</p>																																																							
<p>Taxation:</p> <p>(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.)</p>	<p>(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.)</p> <p>Income Tax Rates and Withholding Rates (TDS) on Capital Gains</p> <table border="1" data-bbox="402 645 1388 2002"> <thead> <tr> <th rowspan="2">Category of units</th> <th colspan="3">Tax Rates* under the Act</th> <th colspan="3">TDS Rates under the Act</th> </tr> <tr> <th>Residents</th> <th>NRI/PIOs & Other Non-resident other than FPI</th> <th>FPIs</th> <th>Residents</th> <th>NRI/PIOs & Other Non-resident other than FPI</th> <th>FPIs</th> </tr> </thead> <tbody> <tr> <td colspan="7" style="text-align: center;">Short Term Capital Gains[§]</td> </tr> <tr> <td>1. Units of a non-equity oriented Scheme other than 'specified mutual fund 2. Units of a 'Specified Mutual Fund acquired prior to 1 April 2023 3. Units of a 'Specified Mutual Fund acquired on or after 1 April 2023</td> <td>Taxable at normal rates of tax applicable to the assessee</td> <td>In respect of non-resident non-corporate Taxable at normal rates of tax applicable to the assessee. In respect of non-resident corporates - 40%.</td> <td>30% (u/s 115AD)</td> <td>Nil</td> <td>30%* for non-residents non corporate s, 40%* for non-resident corporates (u/s 195)</td> <td>Nil</td> </tr> <tr> <td>Units of an equity oriented Scheme (listed and unlisted)</td> <td colspan="3">15% on redemption of Units where STT is payable on redemption (u/s 111A)</td> <td>Nil</td> <td>15%* (u/s 195)</td> <td>Nil</td> </tr> <tr> <td colspan="7" style="text-align: center;">Long Term Capital Gain[§]</td> </tr> <tr> <td>1. Listed units of a non-equity oriented Scheme other than 'specified mutual fund 2. Listed Units of a 'Specified Mutual Fund acquired prior to 1 April 2023</td> <td>20% with indexation, (u/s 112) **</td> <td>20% with indexation, (u/s 112)**</td> <td>10% (u/s 115AD) **</td> <td>Nil</td> <td>20%* with indexation (u/s 195) **</td> <td>Nil</td> </tr> <tr> <td>1. Unlisted units of a non-equity oriented Scheme other than 'specified mutual fund</td> <td>20% with indexation, (u/s 112) **</td> <td>10% without indexation and no exchange fluctuation**(u/s 112)</td> <td>10% (u/s 115AD) **</td> <td>Nil</td> <td>10%* without indexation & exchange fluctuation</td> <td>Nil</td> </tr> </tbody> </table>	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[§]							1. Units of a non-equity oriented Scheme other than 'specified mutual fund 2. Units of a 'Specified Mutual Fund acquired prior to 1 April 2023 3. Units of a 'Specified Mutual Fund acquired on or after 1 April 2023	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 corporate s, 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%* (u/s 195)	Nil	Long Term Capital Gain[§]							1. Listed units of a non-equity oriented Scheme other than 'specified mutual fund 2. Listed Units of a 'Specified Mutual Fund acquired prior to 1 April 2023	20% with indexation, (u/s 112) **	20% with indexation, (u/s 112)**	10% (u/s 115AD) **	Nil	20%* with indexation (u/s 195) **	Nil	1. Unlisted units of a non-equity oriented Scheme other than 'specified mutual fund	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	Nil
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2. Unlisted Units of a Specified Mutual Fund acquired prior to 1 April 2023					n (u/s 112) **	
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 (exceeding INR 1 lac)#	Nil
<p>** 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 \$ including in case of consolidation of options under any scheme of a mutual fund (in the absence of any specific exemption provision in the Income-tax Act, 1961) #With effect from 1 April 2022</p> <p>Income Tax Rates and Withholding Rates (TDS) on income distributed by Mutual Funds</p> <p>As per Finance Act 2020, any distribution by mutual fund will be taxed in the hands of the Unit Holders.</p>						
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 / specified mutual 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	20% (u/s 115AD)	10% (u/s 194K)	20%* (u/s 196A) or as per applicable DTAA whichever is lower	20%* (u/s 196D) or as per applicable DTAA whichever is lower

		company) or foreign corporates -20%(for units purchased in foreign currency)				
*plus surcharge and Health and Education cess at the rate of 4% on income tax and surcharge.						
Surcharge rates on Capital Gains shall be as per the below table:						
Status of Investor	Nature of Gains	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	Long term & Short term capital gains on Equity Oriented Funds and ^Long term capital gains on Non-equity oriented funds (other than ^specified mutual funds)	10%	15%	15%	15%	15%
Individuals/HUFs/BOIs /AOPs and Artificial juridical persons	Short term capital gains on Non Equity oriented funds (other than ^specified mutual funds)	10%	15%	25%	@25%	@25%
Individuals/HUFs/BOIs /AOPs and Artificial juridical persons	Capital gains on ^specified	10%	15%	25%	@25%	@25%

	mutual funds					
Firms, Local authorities	All Capital Gains	-	12%	12%	12%	12%
Co-operative societies	All Capital Gains		7%	7%	7%	12
Domestic Company	All Capital Gains	-	7%	7%	7%	12%
** (New regime under section 115BAA)			10%	10%	10%	10%
Foreign Company	All Capital Gains	-	2%	2%	2%	5%

Surcharge and effective TDS rates for income distributed in respect of units of mutual fund shall be as per below table:

Sr. No.	Investor Category	TDS rate	Dividend amount	Surcharge	Cess	Effective TDS rate
1	All Resident Investors (Individual & Non Individual)	10%	Excess of Rs.5000	-	-	10.000%
2	Non Resident Individuals (NRI), Fils, FPIs & NRIs. AOP (Other than Co-operative Society), BOI, artificial juridical person	20%	0 to 50L	0%	4%	20.800%
			50L to 1 Cr	10%	4%	22.880%
			> 1 Cr to 2 Cr	15%	4%	23.920%
			> 2 Cr to 5 Cr	25%	4%	26%
	> 5 Cr and above	@25%	4%	26.000%		
3	Resident investors without PAN, invalid PAN, PEKRAAN	20%	Any Amount	-	-	20.000%
4	Non-filers of return [^]	20%	Any Amount	-	-	20.000%
5	FII/ FPI Foreign company	20%	1 Cr to 10 Cr	2%	4%	21.216%
			more than 10 Crore & above	5%	4%	21.84%
6	Non resident (other than company)					
	(a) Co-operative society	20%	1cr to 10cr	7%	4%	22.258%
			More than 10cr	12%	4%	23.296%
(b) Firm	20%	More than 1cr	12%	4%	23.296%	

[@] Finance Act, 2023 has amended surcharge rates for individuals and HUFs or association of persons [other than a cooperative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 who opt for the new tax regime under section 115BAC. As per the amended section, the maximum rate of surcharge shall be 25% for income computed under section 115BAC of the Income tax Act, 1961 (new tax regime) instead of 37% under normal provisions (Old tax regime). The new tax regime would be the default tax regime from FY 2023-24 onwards.

[^]The Finance Act, 2022 has levied the surcharge to be at par with Equity Oriented Scheme with effect from 1 April 2022

	<p>++In case company opts for new regime of taxation, then the surcharge would be applicable at the rate of 10% irrespective of the taxable income.</p> <p>'Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than thirty five per cent. of its total proceeds is invested in the equity shares of domestic companies. Finance Act 2023 has inserted Section 50AA in the Income Tax Act, 1961. As per the said section, with effect from 1 April 2023, gains/losses from units of Specified Mutual Fund would be deemed to be short term capital gain/loss irrespective of period of holding i.e. the definition of holding for more than 36 months to be considered as long term capital asset is withdrawn. This is applicable for all such units which are acquired on or after Apr 1, 2023.</p> <p>*The Finance Act 2021 introduced special provisions for higher rate of TDS in case of non-filers of Income tax return (referred to as "specified person"). Specified person does not include a non-resident who does not have permanent establishment in India. Finance Act 2023, with effect from 1st April, 2023, amended the said proviso to also exclude a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p> <p>For further details on taxation please refer to the clause on Taxation in the SAI.</p>
<p>Investor services</p>	<p>Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries / clarifications, may call on 1800-208-4499 or 1800-200-4499 (toll free), e-mail: service@dspm.com. Mr. Gaurav Nagori has been appointed as the Investor Relations Officer. He can be contacted at DSP Asset Managers Private Limited Natraj, Office Premises No. 302, 3rd Floor, 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.</p>

	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@mfindia.com for any service required or for resolution of their grievances for their transactions with MFUI.
Scheme Summary Document	The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme including but not limited to Scheme features, Fund Manager details, investment details, investment objective, expense ratios, etc. Scheme summary document is uploaded on the websites of AMC, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML).

D.COMPUTATION OF NAV

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

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

$$\text{NAV Per Unit (Rs.)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$

The numerical illustration of the above method is provided below:

Market or Fair Value of Scheme's investments (Rs.) = 11,42,53,650.00

Current Assets (Rs.) = 10,00,000.00

Current Liabilities and Provisions (Rs.) = 5,00,000.00

No. of Units outstanding under the Scheme = 1,00,00,000

$$\text{NAV Per Unit (Rs.)} = \frac{11,42,53,650.00 + 10,00,000.00 - 5,00,000.00}{1,00,00,000} = 11.4754$$

N.B.: The aforesaid provisions pertaining to "Calculation of NAV" shall apply in respect of each individual Scheme and/or plan as the case may be. The NAV Per Unit above is rounded off to four decimals.

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

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

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

SECTION IV - 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. NEW FUND OFFER (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. The NFO expenses of floating the Scheme will be borne by the AMC.

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

B. ANNUAL SCHEME RECURRING EXPENSES

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

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

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

Table 1: Limit as prescribed under regulation 52 of SEBI MF regulations for exchange traded fund:

Particulars	As a % of daily net assets as per Regulation 52(6) (b)	Additional TER as per Regulation 52 (6A) (b)^
On daily net assets	1.00%	0.30%

Notes to Table 1:

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

- a. Brokerage and transaction costs which are incurred for the purpose of execution of trade up to 0.12 per cent of trade value in case of cash market transactions and 0.05 per cent of trade value 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.

Note: Pursuant to the directions received from SEBI vide its letter no. SEBI/HO/IMD-SEC-3/P/OW/2023/5823/1 dated February 24, 2023 read along with AMFI communication dated March 02, 2023, w.e.f March 01, 2023 no additional expense shall be charged on the new inflows received on or after March 01, 2023 from specified cities as per Regulation 52 (6A) (b) till any further guidance is received from SEBI in this regard.

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 Recurring Expense Heads	% of daily net assets
(i)	Investment Management and Advisory Fees	Upto 1.00%
(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 0.01 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) (b)	Upto 1.00%
(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. Trustee shall charge the Trusteeship Fees in proportion to the net assets of each of the Scheme of the Mutual Fund.

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.

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	Amount
Amount invested at the beginning of the year	10,000

Annual income accrued to the scheme	1,000
Expenses other than Distribution expenses	75
Distribution expenses	
Returns after expenses at the end of the year	925
% Returns after expenses at the end of the year	9.25%

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: Nil

Exit Load: Nil

The units of the scheme are compulsorily traded in dematerialized form, and hence, there shall be no entry/exit load for the units purchased or sold through stock exchanges. However, the investor shall have to bear costs in form of bid/ask spread or brokerage or such other cost as charged by his broker for transacting in units of the scheme through secondary market

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

- (i) Addendum detailing the changes will be attached to the SID and Key Information Memorandum (KIM). The addendum shall be circulated to all the distributors/brokers so that the same can be attached to SID and KIM 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.

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.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Not Applicable

E. TRANSACTION CHARGE

Investors may note that the AMC has discontinued the payment of transaction charges to distributors effective May 01, 2023.

Accordingly, no transaction charges shall be deducted from the investment amount given by the investor, for transactions / applications received through the distributors (i.e. in Regular Plan) and full investment amount will be invested in the Scheme.

F. 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, to the unit holders would be reduced to that extent.

G. PRINCIPLES OF INCENTIVE STRUCTURE FOR MARKET MAKERS

AMC does not intend to provide any performance based incentive to its Market Maker. However, performance based incentives structure as and when provided to Market Makers shall be charged to the Scheme within the maximum permissible limit of TER and the appropriately disclosure in this regard shall be made.

SECTION V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

SECTION VI. PENALTIES AND PENDING LITIGATION

PENALTIES, 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 shall also be disclosed:

None.

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. The details of the violation shall also be disclosed.

- An Adjudication Order dated December 29, 2022 has been issued in the matter of practice of charging total expense ratio to AMC books by DSP Mutual Fund in case of DSP Nifty 50 ETF. Pursuant to said order, a monetary penalty of Rs. One lakh each has been imposed on DSP Investment Managers Private Limited and DSP Trustee Private Limited which was paid on January 30, 2023 and January 27, 2023, respectively.

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 should also be disclosed separately:

- 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. The matter is now at hearing stage and the AMC is awaiting an intimation in relation to the hearing date from the High Court.

- AMC holds non-convertible debentures issued by Accelerating Education and Development Private limited (AEDPL), a Resonance group entity vide Debenture Trust Deed dated November 10, 2016. AEDPL defaulted in repayment of redemption amount. AMC filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 before 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. The Delhi High Court was pleased to issue notice to the petition under section 9. AEDPL and other Resonance group entities have undertaken not to alienate their assets. The pleadings stand completed and the matter is ripe for arguments. The matter is listed for hearing on 18th July 2023.

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, shall also be disclosed:

None.

Undertaking from Trustees

The Trustees have ensured that DSP Nifty IT ETF, approved by them, is a new product offered by DSP Mutual Fund and is not a minor modification of any existing scheme/fund/product. DSP Nifty IT ETF has been approved by the Trustees on August 26, 2022.

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

**For DSP Trustee Company Pvt. Ltd.
Trustee: DSP Mutual Fund**

Sd/-
Shitin D. Desai
Chairman

Place: Mumbai

Date: _____, 2023