DSP ASSET MANAGERS

Date: August 30, 2024

Dear Unitholder,

Subject:

A. Merger of DSP World Agriculture Fund (DSPWAF/ Merging Scheme), an open ended Fund of Fund Scheme, into DSP World Mining Fund (DSPWMF/ Surviving Scheme), an open ended Fund of Fund Scheme.

B. Change in fundamental attributes of DSP World Mining Fund, an open ended Fund of Fund Scheme of DSP Mutual Fund post-merger of DSPWAF into DSPWMF

Unit holders are requested to note that the merger of the DSPWAF into DSPWMF will tantamount to a change in the fundamental attributes in accordance with Regulation 18(15A) read with Regulation 25(26) of the SEBI (Mutual Funds) Regulations, 1996 (“MF Regulations”). The proposed merger shall be carried out by implementing a change in the fundamental attributes of both the schemes.

Further, unit holders are also requested to note that post-merger of DSPWAF into DSPWMF, certain fundamental attributes of DSPWMF shall also be proposed to be changed as explained further in letter.

The Board of DSP Asset Managers Private Limited (‘AMC’) and DSP Trustee Private Limited (‘Trustee’) have approved both the proposals on February 18, 2024 and February 19, 2024, respectively. Further, SEBI has also issued its no objection to the said proposals vide its email dated August 26, 2024.

A. Merger of DSP World Agriculture Fund, an open ended Fund of Fund Scheme, into DSP World Mining Fund, an open ended Fund of Fund Scheme.

In addition to the conditions specified under Regulation 18(15A) read with Regulation 25(26) of MF Regulations, the Trustees have also taken into consideration the comments of SEBI, prior to effecting a change in fundamental attributes of the schemes. For further details with respect to the merger please refer to the points below:

1. **Name of the Scheme/s merging and surviving Scheme:**

   The name of the Merging Scheme is DSP World Agriculture Fund and Surviving Scheme is DSP World Mining Fund (on the close of business hours of effective date the name of Surviving Scheme will be changed to DSP World Mining Fund of Fund).

2. **Proposal:** It is proposed to merge DSPWAF into DSPWMF.

3. **Rationale for the merger/consolidation:**

   Agriculture/Nutrition theme is very niche theme and has not delivered returns in a long run compared to broader market and a broader commodities theme like mining and metals. As the theme is yet to pick up growth which could help companies in the industry to be more profitable and valuable, we believe to move to a more durable and economically linked theme like mining and metals at current juncture could add more value to the investors.

Particulars	1 Yr	3 Yr	5 Yr	10 Yr
BGF Nutrition Fund (%)	-8.27	-10.68	0.15	0.58
MSCI World Agriculture & Food Chain TRI (%)	-8.32	1.91	3.15	6.67
MSCI ACWI TRI(%)	17.55	6.26	11.57	9.29
MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index.	0.96	-0.08	12.47	5.72

Returns are as on 31st July 2024 and in USD. Source: MSCI, BlackRock

4. **Public Notice:** Notice about the proposed merger will also be published on August 30, 2024 in Business Standard and Navshakti.

5. **Consequences of merger:**

   - On the effective date DSPWAF will be merged into DSPWMF, the unit holders of Merging Scheme as at the close of business hours, will be allotted units under the corresponding option of the Surviving Scheme at the last available applicable Net Asset Value (“NAV”) on the effective date. For investors of DSPWAF, the merger essentially will be a surrender of old Units of the DSPWAF against an issue of fresh Units of DSPWMF. This will be reckoned as redemption (switch-out) in DSPWAF followed by a fresh subscription (switch-in) in DSPWMF. Units will be allotted in DSPWMF in the same Plan (Regular or Direct) & Options [Growth or Income Distribution cum Capital Withdrawal (IDCW)] as is in the DSPWAF. Merger of schemes would result in no change to the value of investments of the Unit Holders on the date of merger. Based on the value of the units in DSPWAF on the date of merger, units will be allotted in DSPWMF at applicable NAV on the effective date.
   - A fresh account statement reflecting the new units allotted under the Surviving Scheme, will be sent by the Fund to the Unit holders of the Merging Scheme. Upon allotment of units in the Surviving Scheme, all provisions under the Surviving Scheme will apply.

6. **Exit Period:** Existing unitholders of the Merging Scheme and Surviving Scheme shall provide an option to exit, at the applicable Net Asset Value (“NAV”) without exit load, if any, from September 4, 2024 to October 4, 2024 (both days inclusive), if they are not agreeable for the proposal.

7. **Effective Date of merger:** The effective date of the merger shall be close of business hours of October 4, 2024.

DSP Asset Managers Private Limited
Registered Office: 10th Floor, Mafatlal Centre, Nariman Point, Mumbai 400021, India
CIN U65990MH2021PTC362316 • +91 22 6657 8000 • **www.dspim.com** • Email: dspam@dspim.com

8. Basis of allotment of new units by way of a numerical illustration:

NAV Per Unit - DSP World Agriculture Fund	Rs. Per Unit	(a)	17.7521
Units held in - DSP World Agriculture Fund		(b)	3,288.778
Total Value (INR)	c=a*b	(c)	58,382.72
NAV Per Unit – DSP World Mining Fund	Rs. Per Unit	(d)	15.1802
Allotment of units in DSP World Mining Fund	e=c/d	(e)	3845.978
Value of new units held in DSP World Mining Fund	f=d*e	(f)	58,382.72

Note: Investors are requested to note that the NAV of the direct plan may be different than that of the regular plan.

9. The comparison between merging scheme features and surviving scheme features are as follow:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Merging Scheme Features</th><th>Surviving Scheme Features*</th></tr>
<tr><td>1.</td><td>Name of the Scheme</td><td>DSP World Agriculture Fund</td><td>DSP World Mining Fund</td></tr>
<tr><td>2.</td><td>Category of the Scheme</td><td>Fund of Funds (FoFs) (Overseas)</td><td>Fund of Funds (FoFs) (Overseas)</td></tr>
<tr><td>3.</td><td>Type of the Scheme</td><td>An open ended fund of fund scheme investing in BlackRock Global Funds – Nutrition Fund</td><td>An open ended fund of fund scheme investing in BlackRock Global Funds – World Mining Fund (BGF – WMF)</td></tr>
<tr><td>4.</td><td>Product Labelling</td><td>This product is suitable for investors who are seeking*:

• Long-term capital growth
• Investment in units of overseas funds which invests primarily in equity and equity related securities of companies in the agriculture value chain

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

Riskometer of Scheme and Benchmark (MSCI ACWI Net Total Return) (as on July 31, 2024)

</td><td>This product is suitable for investors who are seeking*:

• Long-term capital growth
• Investment in units of overseas funds which invest primarily in equity and equity related securities of mining companies

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

Riskometer of Scheme and Benchmark (MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index) (as on July 31, 2024)

</td></tr>
<tr><td>5.</td><td>Potential Risk Matrix</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>6.</td><td>Investment Objective</td><td>The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in units of BlackRock Global Funds Nutrition Fund (BGF - NF). The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/ or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

There is no assurance that the investment objective of the Scheme will be achieved.</td><td>The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in the units of BlackRock Global Funds – World Mining Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/ liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

There is no assurance that the investment objective of the Scheme will be achieved.</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Merging Scheme Features</th><th>Surviving Scheme Features*</th></tr>
<tr>
<td>7.</td>
<td>Asset Allocation Pattern</td>
<td>
Under normal circumstances, the asset allocation will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>1. Units of BGF – NF# or other similar overseas mutual fund scheme(s)</td><td>95%</td><td>100%</td></tr>
<tr><td>2. Money market securities and/or units of money market/liquid schemes of DSP Mutual Fund</td><td>0%</td><td>5%</td></tr>
</table>
#in the shares of BGF – NF, an Undertaking for Collective Investment in Transferable Securities (UCITS) III fund.

Indicative table: (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Not applicable</td><td>-</td></tr>
<tr><td>2.</td><td>Derivatives</td><td>Nil</td><td>-</td></tr>
<tr><td>3.</td><td>Equity Derivatives for non- hedging purposes</td><td>Not applicable</td><td>-</td></tr>
<tr><td>4.</td><td>Securitized Debt</td><td>Not applicable</td><td>-</td></tr>
<tr><td>5.</td><td>Debt Instruments with SO / CE rating</td><td>Not applicable</td><td>-</td></tr>
<tr><td>6.</td><td>Overseas Securities</td><td>Upto 100%</td><td>Clause 12.19 of the SEBI Master Circular</td></tr>
<tr><td>7.</td><td>ReITS and InVITS</td><td>Not applicable</td><td>-</td></tr>
<tr><td>8.</td><td>Debt Instruments with special features (AT1 and AT2 Bonds)</td><td>Not applicable</td><td>-</td></tr>
<tr><td>9.</td><td>Tri-party repos (including Reverse repo in T-bills and Government Securities)</td><td>Upto 5%</td><td>-</td></tr>
<tr><td>10.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Not applicable</td><td>-</td></tr>
<tr><td>11.</td><td>Credit Default Swap transactions</td><td>Not applicable</td><td>-</td></tr>
<tr><td>12.</td><td>Covered call option</td><td>Not applicable</td><td>-</td></tr>
<tr><td>13.</td><td>Any other Fund of Fund Schemes</td><td>Nil</td><td>-</td></tr>
<tr><td>14.</td><td>Short Term Deposit</td><td>Refer Note 1</td><td>Clause 12.16 of the SEBI Master Circular</td></tr>
</table>
<u>Note 1 - Investment in Short-Term Deposits-</u>

Pending deployment of the funds of the Scheme shall be in terms of clause 12.16 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term ‘short term’ for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
</td>
<td>
Under normal circumstances, the asset allocation will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Units of BGF – WMF# or other similar overseas mutual fund scheme(s)</td><td>95%</td><td>100%</td></tr>
<tr><td>Money market securities and/or units of money market/liquid schemes of DSP Mutual Fund</td><td>0%</td><td>5%</td></tr>
</table>
#in the shares of BGF – WMF, an Undertaking for Collective Investment in Transferable Securities (UCITS) III fund.

Indicative table: (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Not applicable</td><td>-</td></tr>
<tr><td>2.</td><td>Derivatives</td><td>Nil</td><td>-</td></tr>
<tr><td>3.</td><td>Equity Derivatives for non-hedging purposes</td><td>Not applicable</td><td>-</td></tr>
<tr><td>4.</td><td>Securitized Debt</td><td>Not applicable</td><td>-</td></tr>
<tr><td>5.</td><td>Debt Instruments with SO / CE rating</td><td>Not applicable</td><td>-</td></tr>
<tr><td>6.</td><td>Overseas Securities</td><td>Upto 100%</td><td>Clause 12.19 of the SEBI Master Circular</td></tr>
<tr><td>7.</td><td>ReITS and InVITS</td><td>Not applicable</td><td>-</td></tr>
<tr><td>8.</td><td>Debt Instruments with special features (AT1 and AT2 Bonds)</td><td>Not applicable</td><td>-</td></tr>
<tr><td>9.</td><td>Tri-party repos (including Reverse repo in T-bills and Government Securities)</td><td>Upto 5%</td><td>-</td></tr>
<tr><td>10.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Not applicable</td><td>-</td></tr>
<tr><td>11.</td><td>Credit Default Swap transactions</td><td>Not applicable</td><td>-</td></tr>
<tr><td>12.</td><td>Covered call option</td><td>Not applicable</td><td>-</td></tr>
<tr><td>13.</td><td>Any other Fund of Fund Schemes</td><td>Nil</td><td>-</td></tr>
<tr><td>14.</td><td>Short Term Deposit</td><td>Refer Note 1</td><td>Clause 12.16 of the SEBI Master Circular</td></tr>
</table>
<u>Note 1 - Investment in Short-Term Deposits-</u>

Pending deployment of the funds of the Scheme shall be in terms of clause 12.16 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term ‘short term’ for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
3. The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. 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 that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. 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.
</td>
</tr>
</table>

Sr. No.	Particulars	Merging Scheme Features	Surviving Scheme Features*
		3. The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits. 4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries. 5. 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 that Scheme. 6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks. 7. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank. The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market. Indicative table is subset of primary asset allocation table mentioned above and both shall be read in conjunction. **Cumulative gross exposure –** As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds, money market instruments and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit. **Portfolio rebalancing-** **Rebalancing of deviation due to short term defensive consideration:** Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term on defensive considerations as per Clause 1.14.1.2 of the SEBI Master Circular; the intention being at all times to protect the interests of the Unit Holders and the Scheme shall endeavor to rebalance the portfolio within 30 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:** As per clause 2.9 of SEBI Master circular and the clarifications/ guidelines issued by AMFI/ SEBI from time to time, in the event of deviation from mandated asset allocation mentioned, passive breaches (i.e. occurrence of instances not arising out of omission and commission of AMC), shall be rebalanced within 30 business days. Where the portfolio is not rebalanced within above mentioned period, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in clause 2.9.3 and 2.9.4 of SEBI Master Circular.	The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market. Indicative table is subset of primary asset allocation table mentioned above and both shall be read in conjunction. **Cumulative gross exposure –** As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds, money market instruments and other permitted securities/ assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit. **Portfolio rebalancing-** **Rebalancing of deviation due to short term defensive consideration:** Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term on defensive considerations as per Clause 1.14.1.2 of the SEBI Master Circular; the intention being at all times to protect the interests of the Unit Holders and the Scheme shall endeavor to rebalance the portfolio within 30 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:** As per clause 2.9 of SEBI Master circular and the clarifications/ guidelines issued by AMFI/ SEBI from time to time, in the event of deviation from mandated asset allocation mentioned, passive breaches (i.e. occurrence of instances not arising out of omission and commission of AMC), shall be rebalanced within 30 business days. Where the portfolio is not rebalanced within above mentioned period, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in clause 2.9.3 and 2.9.4 of SEBI Master Circular.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Merging Scheme Features</th><th>Surviving Scheme Features*</th></tr>
<tr><td>8.</td><td>Investment Strategy</td><td>The scheme will invest predominantly in units of BGF – NF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

Portfolio Turnover

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

The portfolio turnover in the Scheme will be a function of the inflows in the form of subscriptions into the Scheme and outflows in the form of redemptions from the Scheme, as well as the market opportunities available to the Investment Manager. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavor of the Investment Manager to keep portfolio turnover rates as low as possible. However, there are trading opportunities that present themselves from time to time, where in the opinion of the Investment Manager, there is an opportunity to enhance the total returns of the portfolio. The Investment Manager will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived therefrom. Although the exchange-traded equity derivatives contracts in India are available upto 3 months, the liquidity is predominantly in the one month contracts (near month contracts). The Scheme has no specific target relating to portfolio turnover.</td><td>The scheme will invest predominantly in units of BGF – WMF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

Portfolio Turnover

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

The portfolio turnover in the Scheme will be a function of the inflows in the form of subscriptions into the Scheme and outflows in the form of redemptions from the Scheme, as well as the market opportunities available to the Investment Manager. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavor of the Investment Manager to keep portfolio turnover rates as low as possible. However, there are trading opportunities that present themselves from time to time, where in the opinion of the Investment Manager, there is an opportunity to enhance the total returns of the portfolio. The Investment Manager will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived therefrom. Although the exchange-traded equity derivatives contracts in India are available upto 3 months, the liquidity is predominantly in the one month contracts (near month contracts). The Scheme has no specific target relating to portfolio turnover.</td></tr>
<tr><td>9.</td><td>Benchmark (include Tier 1/ 2 Benchmarks where applicable)</td><td>MSCI ACWI Net Total Return</td><td>MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index.</td></tr>
<tr><td>10.</td><td>Fund Manager</td><td>Mr. Jay Kothari</td><td>Mr. Jay Kothari</td></tr>
<tr><td>11.</td><td>Exit Load</td><td>Nil</td><td>Nil</td></tr>
<tr><td>12.</td><td>Plan & Option</td><td><table>
<tr><th>Plan</th><th>Options Available</th><th>Sub-Option</th><th>IDCW Frequency/ Record Date#</th></tr>
<tr><td rowspan="2">Regular Plan and Direct Plan</td><td>Growth</td><td>-</td><td>-</td></tr>
<tr><td>Income Distribution cum Capital Withdrawal (IDCW)</td><td>Payout of Income Distribution cum Capital Withdrawal (IDCW) & Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)</td><td>At the discretion of Trustee</td></tr>
</table>
In case the Record Date falls on a non Business Day, the immediate next Business Day shall be considered as the Record Date.

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

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

Investors should indicate the Scheme / Plan and / or Option / Sub Option, wherever applicable, for which the subscription is made by mentioning the full name of Scheme/ Plan/ option or sub option in the appropriate space provided for this purpose in the application form. In case of valid applications received, without indicating the Scheme / Plan and / or Option etc. or where the details regarding Plan and/ or Option are not clear or ambiguous, the following defaults will be applied:</td><td><table>
<tr><th>Plan</th><th>Options Available</th><th>Sub-Option</th><th>IDCW Frequency/ Record Date#</th></tr>
<tr><td rowspan="2">Regular Plan and Direct Plan</td><td>Growth</td><td>-</td><td>-</td></tr>
<tr><td>Income Distribution cum Capital Withdrawal (IDCW)</td><td>Payout of Income Distribution cum Capital Withdrawal (IDCW) & Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)</td><td>At the discretion of Trustee</td></tr>
</table>
“Investors may note that under Income Distribution cum Capital Withdrawal options the amounts can be distributed out of investor’s capital (Equalization Reserve), which is part of sale price that represents realized gains.”

#In case the Record Date falls on a non Business Day, the immediate next Business Day shall be considered as the Record Date.

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

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

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Merging Scheme Features</th><th>Surviving Scheme Features*</th></tr>
<tr><td>12.</td><td>Plan & Option</td><td>
Default Option-
<table>
<tr><th>If no indication is given under the following</th><th>Default</th></tr>
<tr><td>Option - Growth/Income Distribution cum Capital Withdrawal (IDCW)</td><td>Growth Option</td></tr>
<tr><td>Sub-option - Payout of Income Distribution cum Capital Withdrawal (IDCW)/ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)</td><td>Payout of Income Distribution cum Capital Withdrawal (IDCW)</td></tr>
</table>

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

Processing of Application Form/Transaction Request: The below table summarizes the procedures which would be adopted while processing application form/transaction request by the AMC.
<table>
<tr><th>Sr. No.</th><th>AMFI Registration Number (ARN) Code/ Direct/Blank as mentioned in the application form/ transaction request</th><th>Plan as selected in the application form/ transaction request</th><th>Transaction shall be processed and Units shall be allotted under</th></tr>
<tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>5</td><td>Direct</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr>
<tr><td>8</td><td>Mentioned</td><td>Not mentioned</td><td>Regular Plan</td></tr>
</table>

In cases of wrong/ invalid/ incomplete ARN, any purchase or switch-in or SIP & STP registration shall be processed under Direct Plan or rejected depending on the mode of the transaction. “Invalid ARNs” shall include ARN validity period expired, ARN cancelled /terminated, ARN suspended, ARN Holder deceased, Nomenclature change, as required pursuant to SEBI (Investment Advisers) Regulations, 2013, not complied by the Mutual Fund Distributor (‘MFD’), MFD is debarred by SEBI, ARN not present in AMFI ARN database, ARN not empanelled with AMC.

Notes:

a) Investors should provide details/instructions only in the space provided in the form. Any details/notings/information/ instruction provided at a non -designated area of the standard form being used, or any additional details, for which space is not designated in the standard form, may not be executed and the AMC will not be liable for the same
b) 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.
c) 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.
d) Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Plan/Option, with a retrospective effect.
e) Any change in IDCW sub option due to additional investment or customer request will be applicable to all existing Units in the IDCW option of the scheme concerned.
</td><td>
Default Option-
<table>
<tr><th>If no indication is given under the following</th><th>Default</th></tr>
<tr><td>Option - Growth/Income Distribution cum Capital Withdrawal (IDCW)</td><td>Growth Option</td></tr>
<tr><td>Sub-option - Payout of Income Distribution cum Capital Withdrawal (IDCW)/ Reinvestment of Income Distribution cum Capital Withdrawal (IDCW)</td><td>Payout of Income Distribution cum Capital Withdrawal (IDCW)</td></tr>
</table>

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

Processing of Application Form/Transaction Request: The below table summarizes the procedures which would be adopted while processing application form/transaction request by the AMC.
<table>
<tr><th>Sr. No.</th><th>AMFI Registration Number (ARN) Code/Direct/Blank as mentioned in the application form/ transaction request</th><th>Plan as selected in the application form/ transaction request</th><th>Transaction shall be processed and Units shall be allotted under</th></tr>
<tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>5</td><td>Direct</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr>
<tr><td>8</td><td>Mentioned</td><td>Not mentioned</td><td>Regular Plan</td></tr>
</table>

In cases of wrong/ invalid/ incomplete ARN, any purchase or switch-in or SIP & STP registration shall be processed under Direct Plan or rejected depending on the mode of the transaction. “Invalid ARNs” shall include ARN validity period expired, ARN cancelled /terminated, ARN suspended, ARN Holder deceased, Nomenclature change, as required pursuant to SEBI (Investment Advisers) Regulations, 2013, not complied by the Mutual Fund Distributor (‘MFD’), MFD is debarred by SEBI, ARN not present in AMFI ARN database, ARN not empanelled with AMC.

Notes:

a) Investors should provide details/instructions only in the space provided in the form. Any details/notings/information/ instruction provided at a non -designated area of the standard form being used, or any additional details, for which space is not designated in the standard form, may not be executed and the AMC will not be liable for the same.
b) 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.
c) 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.
d) Investors shall note that once Units are allotted, AMC shall not entertain requests regarding change of Plan/Option, with a retrospective effect.
e) Any change in IDCW sub option due to additional investment or customer request will be applicable to all existing Units in the IDCW option of the scheme concerned.
f) The AMC and its Registrar reserve the right to disclose the details of investors and their transactions to third parties viz. banks, distributors, Registered Investment Advisors from whom applications of investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with anti-money laundering requirements.
g) Returned cheques are liable not to be presented again for collection, and the accompanying application could also be rejected. In case returned cheques are presented, the necessary charges including returned charges may be debited to the investor.

For detailed disclosure on default plans and options, kindly refer SAI.
</td></tr>
</table>

Sr. No.	Particulars	Merging Scheme Features	Surviving Scheme Features*
		f) The AMC and its Registrar reserve the right to disclose the details of investors and their transactions to third parties viz. banks, distributors, Registered Investment Advisors from whom applications of investors are received and any other organization for the purpose of compliance with legal and regulatory requirements or for complying with anti-money laundering requirements. g) Returned cheques are liable not to be presented again for collection, and the accompanying application could also be rejected. In case returned cheques are presented, the necessary charges including returned charges may be debited to the investor. For detailed disclosure on default plans and options, kindly refer SAI.	
13.	Expense Ratio as per SID with actual charged	Expense Ratio as per SID- Regular Plan- 2.25% Direct Plan- The expenses under Direct Plan shall exclude the distribution and commission expenses and additional expenses for gross new flows from specified cities under regulation 52(6A) (b). Provided that the total expense ratio to be charged over and above the weighted average of the total expense ratio of the underlying scheme shall not exceed two times the weighted average of the total expense ratio levied by the underlying scheme(s), subject to the overall ceilings as stated above. In addition to expenses as permissible under Regulation 52 (6) (c), the AMC may also charge the certain other expenses as allowed under the regulation over and above the above-mentioned limit. Expense Ratio actually charged (as on July 31, 2024)- Regular Plan- 2.24% Direct Plan- 1.49% The actual Expense Ratio comprises of Base TER, Additional expenses as per Regulation 52(6A)(b), Additional expenses as per Regulation 52(6A)(c) and GST on investment management fees.	Expense Ratio as per SID- Regular Plan- 2.25% Direct Plan- The expenses under Direct Plan shall exclude the distribution and commission expenses and additional expenses for gross new flows from specified cities under regulation 52(6A) (b). Provided that the total expense ratio to be charged over and above the weighted average of the total expense ratio of the underlying scheme shall not exceed two times the weighted average of the total expense ratio levied by the underlying scheme(s), subject to the overall ceilings as stated above. In addition to expenses as permissible under Regulation 52 (6) (c), the AMC may also charge the certain other expenses as allowed under the regulation over and above the above-mentioned limit. Expense Ratio actually charged (as on July 31, 2024)- Regular Plan- 2.21% Direct Plan- 1.51% The actual Expense Ratio comprises of Base TER, Additional expenses as per Regulation 52(6A)(b), Additional expenses as per Regulation 52(6A)(c) and GST on investment management fees.
14.	Number of folios along with AUM (as on July 31, 2024)	Number of folios-1,716 AUM- INR 13.90 Crores	Number of folios-11,371 AUM- INR 136.55 Crores
15.	Unclaimed Redemption and IDCW (as on July 31, 2024)##	Unclaimed Redemption: Investor Count: 7, Amount INR 90133.77 Unclaimed IDCW- Investor Count 4, Amount INR 10672.84	Unclaimed Redemption: Investor Count: 10, Amount INR 14405.06 Unclaimed IDCW- Investor Count 48, Amount INR 74370.50
16.	Segregated Portfolio	Not applicable	Not applicable
17.	Percentage of Total exposure to securities classified as below Investment grade or defaults and % of total illiquid assets to net assets of the individual schemes as well as in the consolidate Scheme (as on July 31, 2024)	Nil	Nil
18.	Swing Pricing Framework	Not applicable	Not applicable
19.	Latest Portfolio of the schemes (as on July 31, 2024)	Please refer to annexure 1	Please refer to annexure 1
20.	Performance of the schemes vis-à-vis the Benchmark (since inception) (as on July 31, 2024)	Please refer to annexure 2	Please refer to annexure 2
21.	Any other disclosure specified by Trustee	NIL	NIL
22.	Any other disclosure as directed by SEBI	Nil	Nil

* The details provided are of existing features of the scheme. The changes in fundamental attributes of the scheme post-merger are explained below.

The request for reissue/ revalidation of instruments towards unclaimed redemption / IDCW should be made by the unit holder to Computer Age Management Services Limited (CAMS), the registrar to the schemes of DSP Mutual Fund, or to the nearest branch of the AMC.

We hope that you will provide us your support; in case of any queries, you can reach our call centre (18002084499/18002004499).

Also, in relation to unclaimed IDCW /redemption, we request you to kindly contact us at any of Investor Service Centre/Official Point of Acceptance of the Fund, to assist you in the payment of unclaimed amount. The list of Official Points of Acceptance is available on our website www.dspim.com. For details with respect to unclaimed amount, you may also visit our website https://www.dspim.com/mandatory-disclosures/unclaimed-amount-details.

B. Change in fundamental attributes of DSP World Mining Fund, an open ended Fund of Fund Scheme of DSP Mutual Fund.

10. Unit holders are also requested to note that post-merger of DSPWAF into DSPWMF as explained above, certain fundamental attributes of DSPWMF shall also be proposed to be changed as explained below. The changes indicated as Fundamental Attributes Change ('FAC') in the below table will be considered as change in the fundamental attributes in line with Regulation 18(15A) read with Regulation 25(26) of MF Regulations. Accordingly, these proposed changes shall be carried out by implementing the process for change in the fundamental attributes of DSP World Mining Fund.

    i. **Name of the Scheme/s :** DSP World Mining Fund ('DSPWMF/Scheme')

    ii. **Rationale for the change/s:** It is proposed to change the name of the scheme from "DSP World Mining Fund" to 'DSP World Mining Fund of Fund' to align it with the part IV- categorization and rationalization of mutual fund Schemes of SEBI master circular on mutual funds dated June 27, 2024.

    It is also proposed to add other overseas funds/ETFs which provides exposure to mining related sectors to expand the universe to enable the Scheme to have flexibility to invest across capitalization, styles, managers, factors etc. Further, in light of the aforesaid there will change in type, investment objective, asset allocation pattern, investment strategy and other relevant sections of Scheme Information Document ('SID') of the Scheme.

    iii. **Effective date**- The effective date of the FAC shall be close of business hours of October 4, 2024.

    iv. **Exit Period**- Existing unitholders of DSPWMF shall provide an option to exit, at the applicable Net Asset Value ("NAV") without exit load, if any, from September 4, 2024 to October 4, 2024 (both days inclusive), if they are not agreeable for the proposal.

    v. The comparison between the existing scheme features and the proposed scheme features are as follows:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes are highlighted in bold)</th></tr>
<tr><td>1.</td><td>Name of the Scheme</td><td>DSP World Mining Fund</td><td>DSP World Mining Fund **of Fund**</td></tr>
<tr><td>2.</td><td>Type of scheme*</td><td>An open ended fund of fund scheme investing in BlackRock Global Funds – World Mining Fund (BGF – WMF)</td><td>An open ended fund of fund scheme investing in **overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals.**</td></tr>
<tr><td>3.</td><td>Investment Objective*</td><td>The primary investment objective of the Scheme is to seek capital appreciation by investing predominantly in the units of BlackRock Global Funds – World Mining Fund. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/ liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

There is no assurance that the investment objective of the Scheme will be achieved.</td><td>The primary investment objective of the Scheme is to seek capital appreciation by **investing in units of overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals. The Scheme may also invest a certain portion of its corpus in cash & cash equivalents, in order to meet liquidity requirements from time to time.**

There is no assurance that the investment objective of the Scheme will be achieved</td></tr>
<tr><td>4.</td><td>Asset Allocation Pattern*</td><td>Under normal circumstances, the asset allocation will be as follows:
<table>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td></tr>
<tr><td>Minimum</td><td>Maximum</td></tr>
<tr><td>Units of BGF – WMF# or other similar overseas mutual fund scheme(s)</td><td>95%</td><td>100%</td></tr>
<tr><td>Money market securities and/or units of money market/liquid schemes of DSP Mutual Fund</td><td>0%</td><td>5%</td></tr>
</table>
#in the shares of BGF – WMF, an Undertaking for Collective Investment in Transferable Securities (UCITS) III fund.</td><td>Under normal circumstances, the asset allocation will be as follows:
<table>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative allocations (% of total assets)</td></tr>
<tr><td>Minimum</td><td>Maximum</td></tr>
<tr><td>Units of **overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals.**</td><td>95%</td><td>100%</td></tr>
<tr><td>**Cash and Cash Equivalents@**</td><td>0%</td><td>5%</td></tr>
</table>
@ 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.</td></tr>
</table>

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes are highlighted in bold)</th></tr>
<tr><td></td><td></td><td>
Indicative table: (Actual instrument/percentages may vary subject to applicable SEBI circulars)

<table>
<tr><th>Sl. No.</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Not applicable</td><td>-</td></tr>
<tr><td>2.</td><td>Derivatives</td><td>Not applicable</td><td>-</td></tr>
<tr><td>3.</td><td>Equity Derivatives for non- hedging purposes</td><td>Not applicable</td><td>-</td></tr>
<tr><td>4.</td><td>Securitized Debt</td><td>Not applicable</td><td>-</td></tr>
<tr><td>5.</td><td>Debt Instruments with SO / CE rating</td><td>Not applicable</td><td>-</td></tr>
<tr><td>6.</td><td>Overseas Securities</td><td>Upto 100%</td><td>Clause 12.19 of the SEBI Master Circular</td></tr>
<tr><td>7.</td><td>ReITS and InVITS</td><td>Not applicable</td><td>-</td></tr>
<tr><td>8.</td><td>Debt Instruments with special features (AT1 and AT2 Bonds)</td><td>Not applicable</td><td>-</td></tr>
<tr><td>9.</td><td>Tri-party repos (including Reverse repo in T-bills and Government Securities)</td><td>Upto 5%</td><td>-</td></tr>
<tr><td>10.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Not applicable</td><td>-</td></tr>
<tr><td>11.</td><td>Credit Default Swap transactions</td><td>Not applicable</td><td>-</td></tr>
<tr><td>12.</td><td>Covered call option</td><td>Not applicable</td><td>-</td></tr>
<tr><td>13.</td><td>Any other Fund of Fund Schemes</td><td>Nil</td><td>-</td></tr>
<tr><td>14.</td><td>Short Term Deposit</td><td>Refer Note 1</td><td>Clause 12.16 of the SEBI Master Circular</td></tr>
</table>

<u>Note 1 - Investment in Short-Term Deposits-</u>

Pending deployment of the funds of the Scheme shall be in terms of clause 12.16 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term ‘short term’ for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
3. The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. 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 that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.
</td><td>
Indicative table: (Actual instrument/percentages may vary subject to applicable SEBI circulars)

<table>
<tr><th>Sl. No.</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Not applicable</td><td>-</td></tr>
<tr><td>2.</td><td>Derivatives</td><td>Not applicable</td><td>-</td></tr>
<tr><td>3.</td><td>Equity Derivatives for non- hedging purposes</td><td>Not applicable</td><td>-</td></tr>
<tr><td>4.</td><td>Securitized Debt</td><td>Not applicable</td><td>-</td></tr>
<tr><td>5.</td><td>Debt Instruments with SO / CE rating</td><td>Not applicable</td><td>-</td></tr>
<tr><td>6.</td><td>Overseas Securities</td><td>Upto 100%</td><td>Clause 12.19 of the SEBI Master Circular</td></tr>
<tr><td>7.</td><td>ReITS and InVITS</td><td>Not applicable</td><td>-</td></tr>
<tr><td>8.</td><td>Debt Instruments with special features (AT1 and AT2 Bonds)</td><td>Not applicable</td><td>-</td></tr>
<tr><td>9.</td><td>Tri-party repos (including Reverse repo in T-bills and Government Securities)</td><td>Upto 5%</td><td>-</td></tr>
<tr><td>10.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Not applicable</td><td>-</td></tr>
<tr><td>11.</td><td>Credit Default Swap transactions</td><td>Not applicable</td><td>-</td></tr>
<tr><td>12.</td><td>Covered call option</td><td>Not applicable</td><td>-</td></tr>
<tr><td>13.</td><td>Any other Fund of Fund Schemes</td><td>Nil</td><td>-</td></tr>
<tr><td>14.</td><td>Short Term Deposit</td><td>Refer Note 1</td><td>Clause 12.16 of the SEBI Master Circular</td></tr>
</table>

The scheme intends to invest in following funds/ETFs:

<table>
<tr><th>Sr. No</th><th>Name of Underlying Funds</th></tr>
<tr><td>1</td><td>SPDR® S&P Metals and Mining ETF</td></tr>
<tr><td>2</td><td>VanEck Rare Earth and Strategic Metals UCITS ETF</td></tr>
<tr><td>3</td><td>iShares Copper and Metals Mining ETF</td></tr>
<tr><td>4</td><td>BGF World Mining Fund</td></tr>
</table>

Apart from above, the Scheme may, at the discretion of the Investment Manager/ fund manager, also invest in the units of other overseas funds/ETFs which provides exposure to securities of companies involved in mining and metals companies whose predominant economic activity is the production of metals and industrial minerals subject to fundamental attribute change.

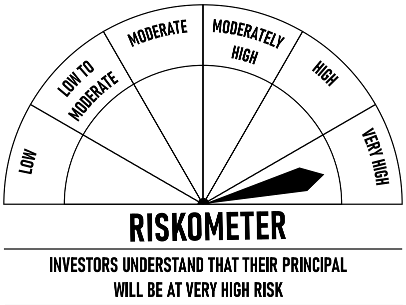
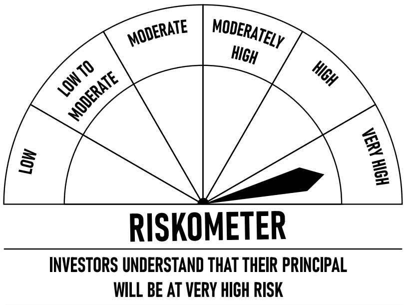
<u>Note 1 - Investment in Short-Term Deposits-</u>

Pending deployment of the funds of the Scheme shall be in terms of clause 12.16 of the SEBI Master Circular, the AMC may invest funds of the Scheme in short term deposits of scheduled commercial banks, subject to following conditions:

1. The term ‘short term’ for parking of funds shall be treated as a period not exceeding 91 days.
2. Such deposits shall be held in the name of the Scheme.
3. The Scheme shall not park more than 15% of its net assets in the short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with the prior approval of the Trustee. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
4. The Scheme shall not park more than 10% of its net assets in short term deposit(s) with any one scheduled commercial bank including its subsidiaries.
5. 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 that Scheme.
6. AMC will not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
7. The Trustee shall also ensure that the bank in which a scheme has short term deposits do not invest in the scheme until the scheme has short term deposits with such bank.

The above provisions do not apply to term deposits placed as margins for trading in cash and derivative market.
</td></tr>
</table>

Sr. No.	Particulars	Existing Scheme Features	Proposed Scheme Features (Changes are highlighted in bold)
		Indicative table is subset of primary asset allocation table mentioned above and both shall be read in conjunction. Cumulative gross exposure – As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds, money market instruments and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit. Portfolio rebalancing- Rebalancing of deviation due to short term defensive consideration: Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term on defensive considerations as per Clause 1.14.1.2 of the SEBI Master Circular; the intention being at all times to protect the interests of the Unit Holders and the Scheme shall endeavor to rebalance the portfolio within 30 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: As per clause 2.9 of SEBI Master circular and the clarifications/ guidelines issued by AMFI/ SEBI from time to time, in the event of deviation from mandated asset allocation mentioned, passive breaches (i.e. occurrence of instances not arising out of omission and commission of AMC), shall be rebalanced within 30 business days. Where the portfolio is not rebalanced within above mentioned period, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in clause 2.9.3 and 2.9.4 of SEBI Master Circular.	Indicative table is subset of primary asset allocation table mentioned above and both shall be read in conjunction. Cumulative gross exposure – As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit. Portfolio rebalancing- Rebalancing of deviation due to short term defensive consideration: Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term on defensive considerations as per Clause 1.14.1.2 of the SEBI Master Circular; the intention being at all times to protect the interests of the Unit Holders and the Scheme shall endeavor to rebalance the portfolio within 30 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: As per clause 2.9 of SEBI Master circular and the clarifications/ guidelines issued by AMFI/ SEBI from time to time, in the event of deviation from mandated asset allocation mentioned, passive breaches (i.e. occurrence of instances not arising out of omission and commission of AMC), shall be rebalanced within 30 business days. Where the portfolio is not rebalanced within above mentioned period, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio is not rebalanced within the aforementioned mandated plus extended timelines the AMC shall comply with the prescribed restrictions, the reporting and disclosure requirements as specified in clause 2.9.3 and 2.9.4 of SEBI Master Circular.

Sr. No.	Particulars	Existing Scheme Features	Proposed Scheme Features (Changes are highlighted in bold)
5.	Investment Strategy *	The scheme will invest predominantly in units of BGF – WMF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time. Portfolio Turnover Portfolio turnover is defined as the lower of the aggregate value of purchases or sales, as a percentage of the average corpus of the Scheme during a specified period of time. This will exclude purchases and sales of money market securities. The portfolio turnover in the Scheme will be a function of the inflows in the form of subscriptions into the Scheme and outflows in the form of redemptions from the Scheme, as well as the market opportunities available to the Investment Manager. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavor of the Investment Manager to keep portfolio turnover rates as low as possible. However, there are trading opportunities that present themselves from time to time, where in the opinion of the Investment Manager, there is an opportunity to enhance the total returns of the portfolio. The Investment Manager will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived therefrom. Although the exchange-traded equity derivatives contracts in India are available upto 3 months, the liquidity is predominantly in the one month contracts (near month contracts). The Scheme has no specific target relating to portfolio turnover.	**The scheme will invest in units of overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals. The Scheme may also invest a certain portion of its corpus in cash & cash equivalents, in order to meet liquidity requirements from time to time** **The proportion of an investment in an underlying funds may vary and solely at the discretion of the fund manager of the Scheme.** Portfolio Turnover Portfolio turnover is defined as the lower of the aggregate value of purchases or sales, as a percentage of the average corpus of the Scheme during a specified period of time. This will exclude purchases and sales of money market securities. The portfolio turnover in the Scheme will be a function of the inflows in the form of subscriptions into the Scheme and outflows in the form of redemptions from the Scheme, as well as the market opportunities available to the Investment Manager. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio(s). It will be the endeavor of the Investment Manager to keep portfolio turnover rates as low as possible. However, there are trading opportunities that present themselves from time to time, where in the opinion of the Investment Manager, there is an opportunity to enhance the total returns of the portfolio. The Investment Manager will endeavor to balance the increased cost on account of higher portfolio turnover with the benefits derived therefrom. Although the exchange-traded equity derivatives contracts in India are available upto 3 months, the liquidity is predominantly in the one month contracts (near month contracts). The Scheme has no specific target relating to portfolio turnover.
6.	Any other changes Definition of Business / Working Day	A day other than (i) Saturday and Sunday, (ii) a day on which the banks in Mumbai are closed, (iii) a day on which the Reserve Bank of India is closed, (iv) a day when BGF – WMF is closed for subscription/ redemption, (v) a day on which the sale and redemption of Units are suspended.	A day other than (i) Saturday and Sunday, (ii) a day on which the banks in Mumbai are closed, iii) a day on which the sale and redemption of Units is suspended and (iv) a day on which Reserve Bank of India is closed. **(v) A day on which the sale and repurchase of the units of the overseas mutual fund, where the Scheme has investment, is suspended or closed and / or (vi) a day on which overseas exchanges where the scheme has investment are closed. The AMC reserves the right to declare any day as a non-business day at any of its locations at its sole discretion.**
7.	Any other changes Product labelling and risk-o-meter	This product is suitable for investors who are seeking*: • Long-term capital growth • Investment in units of overseas funds which invest primarily in equity and equity related securities of mining companies *Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them. Riskometer of scheme and benchmark [MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index] as on July 31, 2024 	This product is suitable for investors who are seeking*: • Long-term capital growth • Investment in units of overseas funds **and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals** *Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them. Riskometer of scheme and benchmark [MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index] as on July 31, 2024 
8.	Any other changes Scheme Specific Risk Factors and risk mitigation strategies	Please refer to annexure 3	Please refer to annexure 4.

Sr. No.	Particulars	Existing Scheme Features	Proposed Scheme Features (Changes are highlighted in bold)
9.	Any other changes "Where will the scheme invest?"	Please refer to annexure 5	*Please refer to annexure 6*
10.	Any other changes Overview of underlying funds	Please refer to annexure 7	Please refer to annexure 8
11.	Any other changes What are the Investment restrictions?	Please refer to annexure 9	Please refer to annexure 10

* Considered as Fundamental Attribute Change

Note: All other features of the DSPWMF except those mentioned above will remain unchanged.

11. In accordance with Regulation 18(15A) read with Regulation 25 (26) of the SEBI (Mutual Funds) Regulations, 1996, for the both proposals all the existing unit holders under the Merging Scheme and unitholders of Surviving Scheme are given an option to exit the Scheme at the applicable Net Asset Value without any exit load on such redemption. This option is valid for a period of 31 days i.e. September 4, 2024 to October 4, 2024 (both days inclusive) ("Exit Option Period"). These changes will be effective from close of business hours of October 4, 2024 ("Effective Date"). During the Exit Option Period, unit holders not consenting to the change may either switch to any other scheme of DSP mutual fund or redeem their investments at applicable Net Asset Value without payment of exit load subject to provisions of applicable cut-off time as stated in the Scheme Information Document of the relevant scheme. All transaction requests received after October 4, 2024 will be subject to applicable exit load (if any), as may be applicable to the Surviving Scheme.
12. Please note that unit holders of the Merging Scheme and Surviving Scheme, who do not opt for redemption on or before October 4, 2024 (up to 3 p.m.) shall be deemed to have consented to the changes specified herein above and shall continue to hold units in the Surviving Scheme.
13. In case the unitholders, who have been given an exit option without any exit load, disagree with the aforesaid changes, they may redeem all or part of the units of the scheme held by them by exercising the Exit Option, without exit load, within the Exit Option Period. Unitholders need to submit a redemption / switch request online or through a physical application form at any official point of acceptance/investor service centre of the AMC or the Registrar and Transfer Agents of the Fund or to the depository participant (DP) (in case of units held in Demat mode). Unit holders can also submit the normal redemption form for this purpose. The above information is also available on the website of DSP Mutual Fund viz., www.dspim.com. The redemption warrant/cheque will be mailed or the amount of redemption will be credited to the unit holders bank account (as registered in the records of the Registrar) within 5 (five) working days from the date of receipt of redemption request.
14. Unit holders can also submit the normal redemption form for this purpose. The redemption/ switch requests shall be processed at applicable NAV as per time stamping provisions contained in the SID of the schemes. Unit holders should ensure that any changes in address or pay-out bank details if required by them, are updated in DSP Mutual Fund's records atleast 10 (Ten) working days before exercising the Exit Option. Unit holders holding Units in dematerialized form may approach their DP for such changes.
15. Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a release of their pledges / encumbrances prior to submitting their redemption/ switch requests.
16. In case investors, who had registered for Systematic investment facilities such as SIP/STP/SWP in the Merging Scheme, decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWP registrations will continue to be processed under the corresponding Plan/Option of the surviving scheme from the close of business hours of Effective Date and no fresh registration will be required. Further, investors who have registered for Systematic investment facilities in both the schemes and who do not wish to continue their future investment facilities must apply for cancellation of such registrations.
17. No fresh subscriptions, including switch-ins and registration for systematic transaction i.e. Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) / Systematic Withdrawal Plan (SWP) etc. will be accepted in DSPWAF/Merging Scheme from September 4, 2024 to October 4, 2024. The existing SIP/STP/SWP transactions will be processed in DSPWAF/Merging Scheme during the exit option period.
18. **It may however be noted that the offer to exit is purely optional and not compulsory. If the Unit holder has no objection to the aforesaid proposals, no action is required to be taken and it would be deemed that such Unit holder has consented to the aforesaid proposals.** However, we, at DSP Mutual Fund would like the Unit holders to continue their investments with us to help them achieve their financial goals.
19. The expenses related to the proposed changes and other consequential changes as outlined above will not be charged to the unit holders of the scheme of DSP MF.
20. **Tax Consequences:** As regards the unitholders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of DSP Mutual Fund and Scheme Information Document of relevant scheme of DSP Mutual Fund would apply. In view of the individual nature of tax consequences, you are advised to consult your professional tax advisor for detailed tax advice.

    As per section 47(xviii) of Income Tax Act, 1961 (the Act), any transfer of units held by the investor in the consolidating scheme / merging scheme of the mutual fund in consideration of allotment of units in the consolidated scheme/ surviving scheme, shall not to be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

Further, as per section 49(2AD) of the Act, the cost of acquisition of units in the consolidated scheme/surviving scheme shall be deemed to be the cost of acquisition of the units in the consolidating scheme/ merging scheme. Also, as per section 2(42A) of the Act, the period of holding of the units in the consolidated scheme/surviving scheme shall include the period of holding of the units in the consolidating scheme/merging scheme.

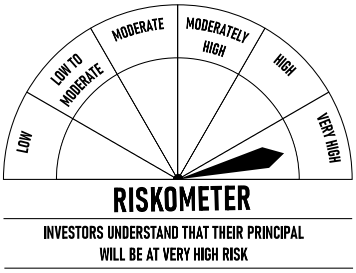
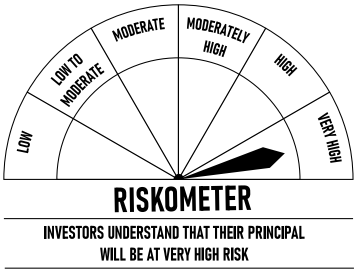
'Consolidating scheme' has been defined under section 47(xviii) of the Act as the scheme of a Mutual Fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996. 'Consolidated scheme' has been defined as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

Redemption / switch-out of units from the Scheme may entail capital gain/loss in the hands of the unitholder. For unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of DSP Mutual Fund and Scheme Information Document of the scheme of DSP Mutual Fund would be applicable. In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws. In view of the individual nature of tax consequences, Unitholders are advised to consult their professional tax advisors for tax advice. The redemption / switch-out of units from the Scheme are liable for deduction of Securities Transaction Tax (STT), wherever applicable; however, such STT shall be borne by AMC and will not be borne by the investor.

Existing Name, Type and Product suitability of DSP World Mining Fund (Surviving Scheme/ DSPWMF)

<table>
<tr><td colspan="3">DSP WORLD MINING FUND- An open ended fund of fund scheme investing in BlackRock Global Funds – World Mining Fund (BGF – WMF)</td></tr>
<tr><td>This product is suitable for investors who are seeking*:</td><td>Scheme Riskometer#</td><td>Benchmark Riskometer#

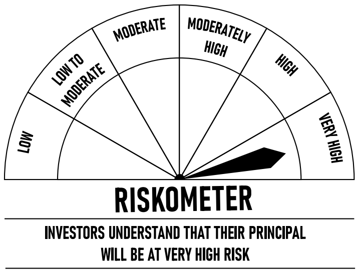
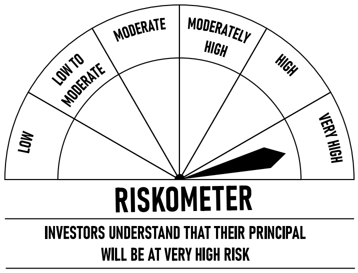
MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index</td></tr>
<tr><td>• Long-term capital growth
• Investment in units of overseas funds which invest primarily in equity and equity related securities of mining companies

*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</td><td>
</td><td>
</td></tr>
</table>

Existing Name, Type and Product suitability of DSP World Agriculture Fund (Merging Scheme/DSPWAF)

<table>
<tr><td colspan="3">DSP World Agriculture Fund (An open ended fund of fund scheme investing in BlackRock Global Funds – Nutrition Fund)</td></tr>
<tr><td>This product is suitable for investors who are seeking*:</td><td>Scheme Riskometer#</td><td>Benchmark Riskometer#

MSCI ACWI Net Total Return</td></tr>
<tr><td>• Long-term capital growth
• Investment in units of overseas funds which invests primarily in equity and equity related securities of companies in the agriculture value chain

*Investors should consult their financial advisers if in doubt about whether the Scheme is suitable for them.</td><td>
</td><td>
</td></tr>
</table>

(# The details are as on July 31, 2024. For latest Riskometers, investors may refer on the website of the Fund viz. www.dspim.com)

Unit holders who require any further information may contact:

DSP ASSET MANAGERS PRIVATE LIMITED
CIN: U65990MH2021PTC362316
Investment Manager for DSP Mutual Fund ('Fund')
Mafatlal Centre, 10th Floor, Nariman Point, Mumbai 400021
Tel. No.: 91-22 66578000,
Toll Free No: 1800 200 4499 Website: www.dspim.com

Yours sincerely,

For and on behalf of DSP Asset Managers Private Limited

Sd/-
Authorised signatory

Enclosures: as above

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Latest Portfolio of the schemes as on July 31, 2024

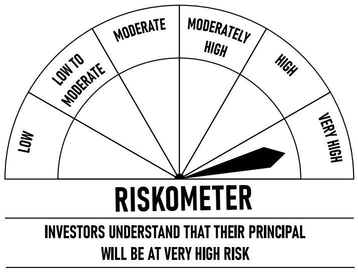
A. DSP World Agriculture Fund

Sr. No.	Name of Instrument	ISIN	Rating/Industry	Quantity	Market value (Rs. In lakhs)	% to Net Assets	Maturity Date	Put/Call Option	YTM (%)
	MONEY MARKET INSTRUMENTS								
1	**TREPS / Reverse Repo Investments**				10.23	0.72%	01-Aug-24		
	Total				**10.23**	**0.72%**			
	OTHERS								
2	Overseas Mutual Funds								
	BlackRock Global Funds - Nutrition Fund ^^	LU0673439724	Foreign Security	1,16,867	1,400.52	99.08%			
	Total				**1,400.52**	**99.08%**			
	Cash & Cash Equivalent								
	Net Receivables/Payables				2.75	0.20%			
	Total				**2.75**	**0.20%**			
	GRAND TOTAL				**1,413.50**	**100.00%**			

Notes:
Market value includes accrued interest
Net Assets does not include unit activity for the date of the Portfolios
^^Fund domiciled in Luxembourg

Sector/Rating	Percent
Foreign Security	99.08%
Cash & Cash Equivalent	0.92%

The riskometer of scheme and benchmark (MSCI ACWI Net Total Return Index) as on July 31, 2024 is follows-



B. DSP World Mining Fund (the scheme name will change as ‘DSP World Mining Fund of Fund’ from effective date)

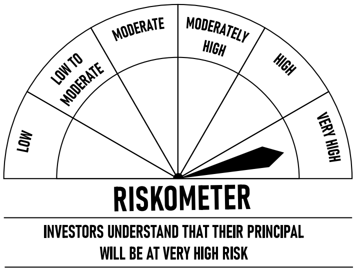
Sr. No.	Name of Instrument	ISIN	Rating/Industry	Quantity	Market value (Rs. In lakhs)	% to Net Assets	Maturity Date	Put/Call Option	YTM (%)
	MONEY MARKET INSTRUMENTS								
1	**TREPS / Reverse Repo Investments**				333.75	2.45%	01-Aug-24		
	Total				**333.75**	**2.45%**			
	OTHERS								
2	Overseas Mutual Funds								
	BlackRock Global Funds - World Mining Fund ^^	LU0368260294	Foreign Security	2,20,534	13,334.39	97.84%			
	Total				13,334.39	97.84%			
	Cash & Cash Equivalent								
	Net Receivables/Payables				(38.91)	-0.29%			
	Total				**(38.91)**	**-0.29%**			
	GRAND TOTAL				**13,629.23**	**100.00%**			

Notes:
Market value includes accrued interest
Net Assets does not include unit activity for the date of the Portfolios
^^Fund domiciled in Luxembourg

Sector/Rating	Percent
Foreign Security	97.84%
Cash & Cash Equivalent	2.16%

DSP Asset Managers Private Limited
Registered Office: 10th Floor, Mafatlal Centre, Nariman Point, Mumbai 400021, India
CIN U65990MH2021PTC362316 • +91 22 6657 8000 • **www.dspim.com** • Email: dspam@dspim.com

The riskometer of scheme and benchmark (MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index) as on July 31, 2024 is follows-



Annexure 2

Performance of the schemes vis-à-vis the Benchmark

1. Compounded Annualised Returns as of July 31, 2024 of DSP World Agriculture Fund

Period	DSP World Agriculture Fund – Reg- Growth	MSCI ACWI Net TR	DSP World Agriculture Fund - Dir - Growth	MSCI ACWI Net TR
Last 1 Year	-8.10%	19.08%	-7.59%	19.08%
Last 3 Year	-8.42%	10.01%	-8.06%	10.01%
Last 5 Year	2.35%	15.46%	2.66%	15.46%
Since Inception	4.78%	14.93%	3.69%	13.86%
NAV/ Index value	18.1802	36,758.62	18.8669	36,758.62
Date of allotment	19-Oct-11		2-Jan-13	

Note: As per the SEBI standards for performance reporting, the "since inception" returns are calculated on Rs. 10/- invested at inception. For this purpose the inception date is deemed to be the date of allotment. The "Returns" shown are for the growth option. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** All benchmark returns are computed basis on Total Return Index.

2. Compounded Annualised Returns as of July 31, 2024 of DSP World Mining Fund

Period	DSP World Mining Fund - Reg - Growth	MSCI ACWI Metals and Mining 30% Buffer 10/40 (1994) Net Total Return Index	DSP World Mining Fund - Dir - Growth	MSCI ACWI Metals & Mining 30% Buffer10/40 (1994) Net Total Return Index
Last 1 Year	-3.26%	2.78%	-2.63%	2.78%
Last 3 Year	2.23%	3.95%	2.92%	3.95%
Last 5 Year	14.00%	15.13%	14.69%	15.13%
Since Inception	3.39%	5.08%	4.13%	6.07%
NAV/ Index value	16.2579	425,564.40	17.3851	425,564.40
Date of allotment	29-Dec-09		3-Jan-13	

Note: As per the SEBI standards for performance reporting, the "since inception" returns are calculated on Rs. 10/- invested at inception. For this purpose the inception date is deemed to be the date of allotment. The "Returns" shown are for the growth option. **Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.** All benchmark returns are computed basis Total Return Index.

Annexure 3

Existing Scheme Features w.r.t. 'Scheme Specific Risk Factors' and Risk Mitigation Strategies

Scheme Specific Risk Factors

DSP World Mining Fund ('DSPWMF') intends to predominantly invest in BlackRock Global Funds – World Mining Fund ('BGF – WMF' / 'BGF – World Mining Fund'). The Scheme may also invest, at the discretion of the Investment Manager, in the units of other similar overseas mutual fund scheme, which may constitute a significant part of its corpus, and a certain portion of its corpus in the Money market securities and/or units of money market/liquid schemes of DSP Mutual Fund. Hence scheme specific risk factors of such underlying schemes will be applicable. All risks associated with such schemes, including performance of their underlying stocks, derivative instruments, stock-lending, offshore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of the underlying schemes.

DSPWMF shall endeavor to track the performance of the respective underlying funds subject to foreign exchange movement, total expense ratio and returns from investments made in money market securities or units of money market/ liquid schemes of DSP Mutual Fund.

Risk Factors specific to a Fund of Fund Scheme

- The Scheme's performance will predominantly depend upon the performance of the corresponding Underlying Funds.
- Any change in the investment policy or the fundamental attributes of the Underlying Fund in which the Scheme invests may affect the performance of the Scheme.
- Investments in the Underlying Funds, which are equity funds, will have all the risks associated with investments in equity and the offshore markets.

- The portfolio disclosure of the Scheme will be largely limited to the particulars of the relevant Underlying Fund and investments by the Scheme in money market instruments. Therefore, Unit Holders may not be able to obtain specific details of the Scheme in respect of the Underlying Fund's portfolio.
- The performance of the underlying Funds depends on the ability of the respective Index to perform or Investment Managers to develop and implement investment strategies that achieve their investment objective. Moreover, any subjective decisions made by the Investment Manager may cause an underlying scheme to incur losses or to miss profit opportunities
- In addition to the recurring expenses of the Scheme, the Unit Holders shall also bear the applicable expenses of the Underlying Funds. Therefore, the returns that the Unit Holder of the Scheme may receive, at times, be lower than the returns that a Unit Holder, who is directly investing in the same Underlying Fund, could obtain.

Risk associated with underlying schemes:

- Liquidity Risk on account of investments in international funds: The liquidity of the Scheme's investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested.
- Expense Risks associated with investments in international funds: The Investors shall bear the recurring expenses of the Scheme in addition to those of the underlying schemes. Therefore, the returns that they may receive may be materially impacted or may, at times, be lower than the returns that the investors directly investing in the underlying schemes could obtain.
- Portfolio Disclosure Risks associated with investments in international funds: The disclosures of portfolio for the Scheme will be limited to the particulars of the underlying schemes and money market securities where the Scheme has invested. Investors may, therefore, not be able to obtain specific details of the investments of the underlying schemes.
- Investment Policy and/or fundamental attribute change risks associated with investments in international funds: Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme.

Special Risk Considerations related to BGF – WMF/underlying funds:

- Emerging Markets

  The following considerations, which apply to some extent to all international investments, are of particular significance in certain smaller and emerging markets. Funds investing in equities may include investments by BGF – WMF in certain smaller and emerging markets, which are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. The prospects for economic growth in a number of these markets are considerable and equity returns have the potential to exceed those in mature markets as growth is achieved. However, share price and currency volatility are generally higher in emerging markets.

  Some governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and obsolete financial systems also presents risks in certain countries, as do environmental problems. Certain economies also depend to a significant degree upon exports of primary commodities and, therefore, are vulnerable to changes in commodity prices which, in turn, may be affected by a variety of factors.

  In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose different capital gains taxes on foreign investors.

  Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor.

  The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of BGF – WMF's acquisition or disposal of securities.

  Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because BGF – WMF will need to use brokers and counterparties which are less well capitalized, and custody and registration of assets in some countries may be unreliable. Delays in settlement could result in investment opportunities being missed if BGF – WMF are unable to acquire or dispose off a security. The custodian of BGF – WMF is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with Luxembourg law and regulation.

  In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognise ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Investors should therefore be aware that BGF – WMF could suffer losses arising from these registration problems, and as a result of archaic legal systems BGF – WMF may be unable to make a successful claim for compensation.

  While the factors described above may result in a generally higher level of risk with respect to the individual smaller and emerging markets, these may be reduced when there is a low correlation between the activities of those markets and/or by the diversification of investments within BGF – WMF.

  Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia, this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the custodian of BGF – WMF). No certificates representing ownership of Russian companies will be held by the custodian of BGF – WMF or any correspondent or in an effective central depositary system. As a result of this system and the lack of state regulation and enforcement, BGF – WMF could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight.

  BGF – WMF, investing directly in local Russian stock, will limit their exposure to no more than 10% of their respective Net Asset Value, except for investment in securities listed on either the Russian Trading Stock Exchange or the Moscow Interbank Currency Exchange, which have been recognised as being regulated markets.

- Sovereign Debt

  Certain developing countries are especially large debtors to commercial banks and foreign governments. Investment in debt obligations ("Sovereign Debt") issued or guaranteed by developing governments or their agencies and instrumentalities ("governmental entities") involves a high degree of risk. The governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity' s willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor' s obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor' s ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their Sovereign Debt. Holders of Sovereign Debt, including BGF – WMF, may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which Sovereign Debt on which a governmental entity has defaulted may be collected in whole or in part.

- Restrictions on Foreign Investment
  Some countries prohibit or impose substantial restrictions on investments by foreign entities such as BGF – WMF. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner, in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of BGF – WMF. For example, BGF – WMF may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of BGF – WMF. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which BGF – WMF may be denied certain of its rights as an investor, including rights as to IDCWs or to be made aware of certain corporate actions. There also may be instances where BGF – WMF place a purchase order but are subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving BGF – WMF of the ability to make their desired investment at the time. Substantial limitations may exist in certain countries with respect to BGF – WMF' s ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. BGF – WMF could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to BGF – WMF of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If BGF – WMF acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in BGF – WMF (including management fees) and, indirectly, the expenses of such closed end investment companies. BGF – WMF also may seek, at their own cost, to create their own investment entities under the laws of certain countries.

- Smaller Capitalisation Companies
  Securities of smaller capitalisation companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. Investment in smaller capitalisation companies may involve higher risk than investment in larger companies. The securities of smaller companies may be subject to more abrupt or erratic market movements than larger, more established companies or the market average in general. These companies may have limited product lines, markets or financial resources, or they may be dependent on a limited management group. Full development of those companies takes time. In addition, many small company stocks trade less frequently and in smaller volume, and may be subject to more abrupt or erratic price movements than stocks of large companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies. These factors may result in above-average fluctuations in the Net Asset Value of the shares of BGF – WMF.

- Derivatives – General
  BGF – WMF may use derivatives to hedge market and currency risk, and for the purposes of efficient portfolio management. The use of derivatives may expose BGF – WMF to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions are geared. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities.

- Country Risks associated with investments in international funds:
  Country risk arises from the inability of a country to meet its financial obligations. It is the risk encompassing economic, social and political conditions in a foreign country which might adversely affect the interests of the Scheme.

- Currency Risk in funds investing in international funds:
  Investments in BGF-WMF and similar other overseas mutual fund schemes are subject to currency risk. Returns to investors are the result of a combination of returns from investments and from movements in exchange rates. For example, if the Rupee appreciates vis-ˆ-vis the US$, the extent of appreciation will lead to a reduction in the yield to the investor. However, if the Rupee appreciates against the US$ by an amount in excess of the interest earned on the investment, the returns can even be negative. Again, in case the Rupee depreciates vis-ˆ-vis the US$, the extent of depreciation will lead to a corresponding increase in the yield to the investor. Going forward, the Rupee may depreciate (lose value) or appreciate (increase value) against the currencies of the countries where the Scheme will invest.

- Credit Risk & Market Risk:
  To the extent that the underlying schemes invest in corporate debt securities, they are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in credit rating, interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer among others (market risk).

- Term Structure of Interest Rates (TSIR) Risk:
  To the extent that the underlying schemes are invested in fixed income securities, the NAV of the Units issued under the Scheme is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

- Concentration Risk:
  The Fund may be susceptible to an increased risk of loss, including losses due to adverse events that affect the Fund's investments more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities and/or other assets of a particular issuer or issuers, country, group of countries, region, market, industry, group of industries, sector, market segment or asset class.

- Equity Risks:
  The values of equities fluctuate daily and a Scheme investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

- Depositary Receipts Risk:
  The issuers of certain depositary receipts are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Investment in depositary receipts may be less liquid than the underlying shares in their primary trading market. Depositary receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the stock underlying unsponsored depositary receipts are not obligated to disclose material information in the United States.

- Taxation of underlying schemes and assets:
  Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. As a result, the Underlying Scheme (and therefore the Scheme) could become subject to additional taxation in such countries that is not anticipated either at the date of this SID or when investments are made, valued or disposed of

  Investors should note that there may be additional taxes, charges or levies applied in respect of the Scheme's investments depending on the location of the assets of the Underlying Fund and the jurisdiction in which the Underlying Fund is located, registered or operated. Investors should also note that the Underlying Fund's investment. managers and the Scheme's ability to provide tax information and audited accounts in respect of the Underlying Fund to Unit Holders of the Scheme is dependent on the relevant tax and other information being provided to the Underlying Fund in timely fashion. Accordingly, delays may occur in respect of delivery of such information to the Scheme's Unit Holders.

- Valuation Risk:
  The price the underlying scheme could receive upon the sale of a security or other asset may differ from the underlying scheme's valuation of the security or other asset and from the value used by the Underlying Index, particularly for securities or other assets that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or for other reasons. In addition, the value of the securities or other assets in the underlying scheme's portfolio may change on days or during time periods when shareholders will not be able to purchase or sell the Fund's shares. Authorized Participants who purchase or redeem Fund shares on days when the Fund is holding fair-valued securities may receive fewer or more shares, or lower or higher redemption proceeds, than they would have received had the underlying scheme not fair-valued securities or used a different valuation methodology. The underlying Scheme's ability to value investments may be impacted by technological issues or errors by pricing services or other third-party service providers.

- Legal risk:
  OTC Derivatives, Repurchase and Reverse Repurchase Transactions, Securities Lending and Re-used Collateral: There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, an underlying scheme may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may for example be governed by English or Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

- Securities Lending:
  The underlying schemes may engage in securities lending. The underlying schemes engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the underlying schemes.

- Risks Relating to Repurchase Agreements:
  In the event of the failure of the counterparty with which collateral has been placed, the underlying schemes may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

- Risks Relating to Reverse Repurchase Agreements:
  In the event of the failure of the counterparty with which cash has been placed, the underlying schemes may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

- Repurchase and Reverse Repurchase Agreements:
  Under a repurchase agreement an underlying schemes sells a security to counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed price and date. The difference between the sale price and the repurchase price establishes the cost of the transaction. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the agreement. In a reverse repurchase agreement a underlying schemes purchases an investment from a counterparty which undertakes to repurchase the security at an agreed resale price on an agreed future date. The underlying schemes therefore bears the risk that if the seller defaults the Fund might suffer a loss to the extent that proceeds from the sale of the underlying securities together with any other collateral held by the underlying schemes in connection with the relevant agreement may be less than the repurchase price because of market movements. A underlying schemes cannot sell the securities which are the subject of a reverse repurchase agreement until the term of the agreement has expired or the counterparty has exercised its right to repurchase the securities.

- Cybersecurity Risk:
  Failures or breaches of the electronic systems of the underlying scheme, the underlying scheme's adviser, distributor, the Index Provider and other service providers, market makers, Authorized Participants or the issuers of securities in which the underlying scheme invests have the ability to cause disruptions, negatively impact the underlying scheme's business operations and/or potentially result in financial losses to the underlying scheme and its shareholders.

- Infectious Illness Risk:
  An outbreak of an infectious respiratory illness, COVID 19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. Such events can have an impact on the underlying Schemes and could impact their ability to purchase or sell securities or cause elevated tracking error and increased premiums or discounts to the NAV. Other infectious illness outbreaks in the future may result in similar impacts.

- Operational Risk:
  The underlying schemes are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures.

- Counterparty Risk:
  An underlying schemes will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant underlying scheme. This would include the counterparties to any derivatives, repurchase / reverse repurchase agreement or securities lending agreement that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure.

- Collateral risk:
  Although collateral may be taken to mitigate the risk of a counterparty default, there is a risk that the collateral taken, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability. This may be due to factors including inaccurate pricing of collateral, failures in valuing the collateral on a regular basis, adverse market movements in the value of collateral, a deterioration in the credit rating of the issuer of the collateral, or the illiquidity of the market in which the collateral is traded. Where an underlying scheme is in turn required to post collateral with a counterparty, there is a risk that the value of the collateral it places with the counterparty is higher than the cash or investments received by it. In either case, where there are delays or difficulties in recovering assets or cash, collateral posted with counterparties, or realising collateral received from counterparties, the underlying schemes may encounter difficulties in meeting redemption or purchase requests or in meeting delivery or purchase obligations under other contracts. As an underlying scheme may reinvest cash collateral it receives, there is a risk that the value on return of the reinvested cash collateral may not be sufficient to cover the amount required to be repaid to the counterparty. In this circumstance, the underlying scheme would be required to cover the shortfall. In case of cash collateral reinvestment, all risks associated with a normal investment will apply. As collateral will take the form of cash or certain financial instruments, the market risk is relevant. Collateral received by an underlying scheme may be held either by the Depositary or by a third party custodian. In either case, there may be a risk of loss where such assets are held in custody, resulting from events such as the insolvency or negligence of a custodian or sub-custodian.

- Sustainability Risk:
  The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause material negative impact on the value of the investments in the underlying schemes. Specific sustainability risk can vary for each product and asset class, and include but are not limited to:

- Transition Risk:
  The risk posed by the exposure to issuers that may potentially be negatively affected by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services. Transition risk may result to several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes. Transition risk may negatively affect the value of investments by impairing assets or by increasing liabilities, capital expenditures, operating and financing costs.

- Physical Risk:
  The risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change. Physical risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss. Physical risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

- Social Risk:
  The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labour standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities. Social risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

- Governance Risk:
  The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflict of interest, reputational damages, increased liabilities or loss of investor confidence.

Risks associated with transacting in scheme units through stock exchange mechanism:

In respect of transactions in units of the schemes through NSE and/or BSE or any other recognized stock exchange promoted platforms, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE or such other exchange and their respective clearing corporations on which the AMC and Fund has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.

Risk associated with favorable taxation of certain scheme in India:

In any event beyond the control of AMC if the scheme is not able to invest the minimum % of the threshold that it is required to invest in eligible asset classes as per the domestic income tax regulation and rule, the benefit of lower tax, if any, on income distribution or capital gains may not be available to the Unit Holders.

The summary of tax implications given in the taxation section (Units and Offer Section) is based on the existing provisions of the tax laws. The current taxation laws may change due to change in the domestic Tax Act or any subsequent changes / amendments in Finance Act / Rules / Regulations. Such change may entail a higher tax to the scheme or to the investors by way of any tax as made applicable thus adversely impacting the scheme.

The investor is requested to consult their tax counsel for detail understanding of the tax laws and the risk factor associated with such tax laws.

Risk factors related to Taxation of overseas investments:

Investment in U.S. Based Mutual Fund

(i) Capital Gains

As already noted, under Code Section 865(a)(2), income from the sale of personal property by a non-U.S resident is sourced outside of the U.S. Thus, generally capital gains derived by a non-U.S. investor from the sale of an investment in a U.S based mutual fund should not be subject tax in the U.S. However, if the mutual fund that is sold is a USRPHC, then the gain is considered to be effectively connected with a U.S. trade or business and thus subject to U.S net taxation, unless the mutual fund whose shares are sold is (a)publicly traded and the investor held an interest of 5% or less in the mutual fund at all times during the year preceding the sale or (b) the mutual fund is a domestically controlled qualified investment entity.

(ii) Income distributions from U.S mutual funds

Generally, under Code Section 881(a)(1)(A), dividend income received by a foreign corporation from sources within the U.S is subject to 30% withholding tax. A mutual fund that is not subject to the USRPHC-related rules described above may distribute ordinary dividends which should be subject to 30% withholding tax. Dividends designated by a Regulated Investment Company ("RIC") (e.g. a mutual fund) as capital gain dividends are treated as long term capital gains in the hands of the shareholders. Except as described above for mutual funds that otherwise qualify as USRPHCs, because long-term capital gains are sourced to the domicile of the recipient, such capital gain dividends should not be U.S source if the recipient is a non-U.S person, and thus would not be subject to U.S taxation

Code Section 881(e)(1) excludes interest-related dividends received from a RIC from the tax imposed by Code Section 881(a)(1). Under Code Section 881(e)(2), short-term capital gain dividends received from a RIC are also excluded from the tax imposed by Section 881(a)(1). A RIC will designate by written notice mailed to its shareholders whether a dividend (or part thereof) is a capital gain dividend, or, with respect to prior years, an interest related dividend or a short-term capital gain dividend.

Notwithstanding the foregoing, as noted above, under Code Section 897(h)(1), any distribution to a foreign person or other qualified investment entity by a qualified investment entity to the extent attributable to gain from sales or exchanges by the qualified investment entity of USRPIs, is treated as gain from the sale or exchange of a USRPI by the foreign person unless such distribution is with respect to stock that is publicly traded on a U.S exchange and the foreign person did not own more than 5% (or in the case of a REIT, no more than 10%) of such class of stock at any time during the 1 year period ending on the date of distribution. Where the distribution is treated as gain from the sale or exchange of a USRPI, the distribution is treated as income effectively connected to a U.S trade or business, subject to tax at U.S corporate tax rates and withheld on at a rate of 21% of the distribution. The total amount in tax paid should not exceed the liability as determined by applying the U.S corporate rate.

In addition, where distributions from the mutual fund are characterized as gain from the sale of a USRPI due to Code Section 897(h) discussed above, the income is considered effectively connected with the conduct of a U.S trade or business such that the branch profits tax provisions must be considered. Under Code Section 884(a), dividend equivalent amounts are subject to tax at a rate of 30%. The dividend equivalent amount is equal to a foreign corporation's effectively connected earnings and profits as determined under Code Section 884(b). Code Section 884(d)(2)(C) excludes gain on the disposition of an interest in a USRPHC from the definition of effectively connected earnings and profits. Thus, where Code Section 897(h) applies to treat a dividend distribution as the sale of a USRPI and subject it to withholding, there is branch profits tax as well unless the distribution/gain is related to the sale of USRPHC shares by the qualified investment entity. For detailed tax benefits, investors are requested to refer para on "Tax benefits of investing in Mutual Fund" as mentioned in the Statement of Additional Information.

Risks associated with investment in Sectoral / thematic fund:

Any sectoral or thematic fund will seek to invest in underlying investments belonging to a defined sector or the theme. Investor needs to understand that a specific sector/theme may not achieve desired result / growth and may also experience unexpected changes adversely affecting the performance, thus investing in a sectoral /thematic fund could involve potentially higher volatility and risk. Further the fund would be restricted to invest in underlying investments from the defined sectors/themes and thus the concentration risk is also expected to be high.

Risks Associated with Overseas Investments:

Subject to necessary approvals, in terms of all applicable guidelines issued by SEBI and RBI from time to time and within the investment objectives of the Scheme, the Scheme may invest in overseas markets and securities which carry a risk on account of fluctuations in the foreign exchange rates, nature of securities market of the country concerned, repatriation of capital due to exchange controls and political circumstances.

Risks Associated with Investment in Money Market Instruments:

The following risks are applicable to the extent of the Schemes investment in money market instruments

i. Price-Risk or Interest-Rate Risk: 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, certain debt securities may be 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. Duration risk refers to the movement in price of the invested debt instruments due to change in interest rates over different durations of maturity of instruments. Duration of portfolio is expressed in years and should be used as a measure of the sensitivity of the fixed income instrument to a change in interest rates. A longer portfolio duration is associated with greater price fluctuations. A rise in interest rates could normally lead to decrease in prices and generally negatively affects portfolios having longer duration vis-a-vis portfolios having shorter duration. A fall in interest rate generally benefits portfolio having longer duration. A longer duration portfolio is also generally associated with greater volatility vis-a-vis a shorter duration portfolio.

ii. Term Structure of Interest Rates (TSIR) Risk: The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

iii. Credit Risk: Investments in Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. Different types of securities in which the Scheme would invest as given in the SID carry different levels of credit risk. Accordingly, the Scheme' risk may increase or decrease depending upon their investment patterns. Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.

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

v. Liquidity or Marketability Risk: This refers to the ease with which a security can be purchased or 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. The liquidity of investments made in the Scheme may be restricted by trading volumes besides operational issues like settlement periods and transfer procedures. Different segments of the Indian financial markets have different settlement processes & periods and such periods may be extended significantly by unforeseen circumstances. There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon. The inability of the Scheme to make intended securities purchases or sale could cause the Scheme to miss certain investment opportunities due to the absence of a well-developed and liquid secondary market for debt securities which would result at times, in potential underperformance in the Scheme.

vi. Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. Investments in fixed income securities may carry reinvestment risk as the cash flows received may get invested at a lower rate of interest prevailing on the date of investment of cash flows viz. interest or redemptions received during the tenure of the scheme.

vii. 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.

Risks associated with investing in Tri Party Repo (TREPS):

DSP Mutual Fund is a member of Securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India Limited (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally by CCIL which helps reduce the settlement and counterparty risks for these transactions. CCIL manages the risks through its risk management processes such that the ultimate risk to its members from fails is either eliminated or reduced to the minimum. CCIL thus maintains margin and default fund contributions of each member for various business segments as per the terms of its Bye Laws, Rules and Regulations to cover potential losses arising from the default member.

In an event of any clearing member failing to honor settlement obligations, the margin and default Fund is utilized to complete the settlement. As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been utilized, CCIL's own contribution is used to meet the losses and thereafter any residual loss is appropriated from the contributions of the non-defaulting members.

Thus the scheme is subject to risk of the margin and default fund contribution being appropriated in the case of failure of any settlement obligations. Further, the scheme's contribution may be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

Risk Mitigation Strategies

DSPAM is committed to a strong control and compliance environment and ensuring that the management structure is appropriate to the scale of the business. DSPAM's fiduciary business is managed according to the rules and a regulation stipulated for Asset Management Companies by the Securities & Exchange Board of India (SEBI) and also incorporates DSPAM's internal policies. The AMC has systems and processes to monitor all the investment restrictions specified by SEBI and in this document on a regular basis.

i. Liquidity Risk on account of investments in overseas funds: The investments are made in international funds, which provide daily liquidity.
ii. Expense Risks associated with investments in overseas funds: The aggregate of expenses incurred by the Indian Fund-of-Funds scheme and the underlying international funds is subject to limits prescribed by SEBI.
iii. Portfolio Disclosure Risks associated with investments in overseas fund: Although full portfolio disclosure is not available at the end of each month, top ten holdings as well as sector holdings are made available at the end of each month for the overseas fund. Full portfolio holdings can be obtained from underlying Overseas funds generally with a three-month lag i.e. March portfolio can be obtained at the end of June
iv. Investment Policy and/or fundamental attribute change risks associated with investments in overseas funds: Investments are made in such international funds, which have similar investment objectives to the domestic fund in India. However, there exists possibility that there is a change in the fundamental attributes of the international fund. In such circumstances, the Investment Manager will seek to invest in other international funds, which have the same investment objective as the domestic fund.
v. Monitoring overseas investment limits:

   The Investment Manager will keep monitoring the overseas investments limits. In case of an adverse event the Investment Manager may initiate appropriate action like investing across other areas as permitted by the scheme document or any other action to ensure that the investor interest is safeguarded.
vi. Risks associated with investments in BGF–WMF – special risk consideration related to international fund: To the extent of the investments in BGF-WMF, the risks of BGF-WMF will exist. The investors should note that these risks cannot be defeased as these are international funds managed by BlackRock. However, as part of our due diligence, we have chosen funds, which have long term performance track record, stability of fund management team and are accredited by third party funds evaluators like S&P, Morningstar etc.

Risks Associated with Investment in Money Market Instruments

i. Market Liquidity Risk: The liquidity risk will be managed and/or sought to be addressed by creating a portfolio which has adequate access to liquidity. The Investment Manager will select fixed income securities, which have or are expected to have high secondary market liquidity. Market Liquidity Risk will be managed actively within the portfolio liquidity limits by maintaining proper asset-liability match to ensure payout of the obligations.

   Amongst all the segments of the fixed income market in India, the government securities market demonstrates the highest market liquidity. The liquidity varies from security to security with benchmark securities for the reference tenors like 10 years, 5 years etc. showing relatively higher market liquidity. With time, the benchmark government security changes and thus hence liquidity propagates from one security to the other.

ii. Credit Risk: Credit Risk associated with fixed income securities will be managed by making investments in securities issued by borrowers post detailed credit review internally. The credit research process includes a detailed in-house analysis and due diligence where limits are assigned for each of the issuer (other than government of India) for the amount as well as maximum permissible tenor. The credit process ensures that issuer limits are reviewed periodically by taking into consideration the financial statements and operating strength of the issuer.

iii. Rating Migration Risk: The endeavor is to invest in well researched issuers. The due diligence performed by the fixed income team before assigning credit limits and the periodic credit review and monitoring should help keep the rating migration risk low for company-specific issues.

iv. Interest Rate Risk: The investment managers will endeavor to keep the duration within the permissible limit as defined by the scheme document and based on the investment objectives.

v. Re-investment Risk: The Investment Manager will endeavor that besides the tactical and/or strategic interest rate calls, the portfolio is fully invested.

vi. Term Structure of Interest Rates (TSIR) Risk: The Scheme is expected to have duration based on the investment objective and limits defined in the scheme documents. Depending on the nature of the scheme, the Term Structure of Interest Rates (TSIR) Risk cannot be eliminated and it exists as a primary feature of the scheme.

Proposed Scheme Features (Changes are highlighted in Bold) w.r.t. Scheme Specific Risk Factors and Risk Mitigation Strategies

Scheme Specific Risk Factors

The scheme is an open-ended fund of fund scheme that intends to predominantly invest in units of overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals. The Scheme may also invest a certain portion of its corpus in cash and cash equivalents. Hence scheme specific risk factors of such underlying schemes will be applicable. All risks associated with such schemes, including performance of their underlying stocks, derivative instruments, stock-lending, offshore investments etc., will therefore be applicable in the case of the Scheme. Investors who intend to invest in the Scheme are required to and deemed to have understood the risk factors of the underlying schemes.

The fund shall endeavor to track the performance of the respective underlying funds subject to foreign exchange movement, total expense ratio and returns from investments made in cash and cash equivalents.
Risk Factors specific to a Fund of Fund Scheme

- The Scheme's performance will predominantly depend upon the performance of the corresponding Underlying Funds.
- Any change in the investment policy or the fundamental attributes of the Underlying Fund in which the Scheme invests may affect the performance of the Scheme.
- Investments in the Underlying Funds, which are equity funds, will have all the risks associated with investments in equity and the offshore markets.
- The portfolio disclosure of the Scheme will be largely limited to the particulars of the relevant Underlying Fund and investments by the Scheme in money market instruments. Therefore, Unit Holders may not be able to obtain specific details of the Scheme in respect of the Underlying Fund's portfolio.
- The performance of the underlying Funds depends on the ability of the respective Index to perform or Investment Managers to develop and implement investment strategies that achieve their investment objective. Moreover, any subjective decisions made by the Investment Manager may cause an underlying scheme to incur losses or to miss profit opportunities
- In addition to the recurring expenses of the Scheme, the Unit Holders shall also bear the applicable expenses of the Underlying Funds. Therefore, the returns that the Unit Holder of the Scheme may receive, at times, be lower than the returns that a Unit Holder, who is directly investing in the same Underlying Fund, could obtain.

Risk associated with investments in overseas mutual funds / ETFs / Index Funds:

Subject to necessary approvals, in terms of all applicable guidelines issued by SEBI and RBI from time to time and within the investment objectives of the Scheme, the Scheme may invest in overseas ETFs/index funds which carry a risk on account of fluctuations in the foreign exchange rates, nature of securities market of the country concerned, repatriation of capital due to exchange controls and political circumstances. Further, the scheme may not be able to invest in overseas markets if overseas limits as per RBI and SEBI circulars are exhausted at AMC or industry level which may negatively impact the performance of the schemes.

Risks related to investments in overseas ETFs/index funds include:

i. Financial Markets, Counterparties and Service Providers: The underlying ETFs/index funds may be exposed to finance sector companies that act as a service provider or as counterparty for financial contracts. In times of extreme market volatility, such companies may be adversely affected, with a consequent adverse effect on the returns. Regulators and self-regulatory organisations and exchanges are stabilize to take extraordinary actions in the event of market emergencies. The effect of any future regulatory actions could be substantial and adverse.

ii. Global Financial Market Crisis and Governmental Intervention: Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability which has led to governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ability to implement a Fund's investment objective. Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilize the financial markets is unknown. The Fund Managers cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on an ETF/index fund or global economy and the global securities markets. The Fund Managers are monitoring the situation. Instability in the global financial markets or government intervention may increase the volatility of the ETFs and hence the risk of loss to the value of your investment.

iii. Liquidity Risk: Trading volumes in the underlying investments of the Underlying ETFs/index funds may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Underlying ETFs/index funds may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators). In extreme market conditions, there may be no willing buyer for an investment and so that investment cannot be readily sold at the desired time or price, and consequently the relevant ETF/index fund may have to accept a lower price to sell the relevant investment or may not be able to sell the investment at all. An inability to sell a particular investment or portion of assets can have a negative impact of the value of the Underlying ETF/index fund or prevent the relevant Underlying ETFs/index funds from being able to take advantage of other investment opportunities.

iv. Similarly, investment in equity securities issued by unlisted companies, small and mid-capitalisation companies and companies based in emerging countries are particularly subject to the risk that during certain market conditions, the liquidity of particular issuers or industries, or all securities within a particular investment category, will reduce or disappear suddenly and without warning as a result of adverse economic, market or political events, or adverse market sentiment.

v. Liquidity risk also includes the risk that relevant Underlying ETFs/index funds may be forced to defer redemptions, issue in specie redemptions or suspend dealing because of stressed market conditions, an unusually high volume of redemption requests, or other factors beyond the control of the investment manager. To meet redemption requests, the Underlying schemes may be forced to sell investments at an unfavorable time and/or conditions, which may have a negative impact on the value of the Scheme.

vi. Credit Risk & Market Risk: To the extent that the underlying ETFs/index funds invest in corporate debt securities, they are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in credit rating, interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer among others (market risk).

vii. Term Structure of Interest Rates (TSIR) Risk: To the extent that the underlying ETFs/index funds are invested in fixed income securities, the NAV of the Units issued under the ETFs is likely to be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

viii. Country Risks:
The value of the underlying ETF's/index funds assets may be affected by uncertainties such as changes in a country's government policies, taxation, restrictions on foreign investment, currency decisions, applicable laws and regulations, together with any natural disasters or political upheaval, which could weaken a country's securities markets

ix. Equity Risks: The values of equities fluctuate daily and an ETF/index fund investing in equities could incur significant losses. The price of equities can be influenced by many factors at the individual company level, as well as by broader economic and political developments, including changes in investment sentiment, trends in economic growth, inflation and interest rates, issuer-specific factors, corporate earnings reports, demographic trends and catastrophic events.

x. Smaller Capitalisation Companies: Securities issued by small companies may be riskier, more volatile or less liquid than those of large companies. They are often new companies with shorter track records, less extensive financial resources, and less established markets. They may not have as many tradable shares compared with large companies, therefore, they tend to be less liquid.

xi. Emerging Markets: Emerging markets are typically those of poorer or less developed countries which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. Amongst these, those which exhibit the lowest levels of economic and/or capital market development may be referred to as frontier markets, and the below mentioned risks may be amplified for these markets. Some emerging markets governments exercise substantial influence over the private economic sector and the political and social uncertainties that exist for many developing countries are particularly significant. Another risk common to most such countries is that the economy is heavily export oriented and, accordingly, is dependent upon international trade. The existence of overburdened infrastructures and inadequate financial systems also presents risks in certain countries, as do environmental problems. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose capital gains taxes on foreign investors.

xii. Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulation, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information by certain categories of investor. The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of an ETF's/index funds acquisition or disposal of securities.

xiii. Practices in relation to the settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because of the need to use brokers and counterparties which are less well capitalised, and custody and registration of assets in some countries may be unreliable.

xiv. Delays in settlement could result in investment opportunities being missed if an ETF/index fund is unable to acquire or dispose of a security. The Depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets in accordance with applicable law and regulation. In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. Investors should therefore be aware that the ETFs/index fund concerned could suffer loss arising from these registration problems.

xv. Risk of Investing in Specific Sectors and Themes: Where investment is made in one or in a limited number of market sectors, Underlying ETFs/index funds may be more volatile than other more diversified Schemes. The companies within these sectors may have limited product lines, markets, or financial resources, or may depend on a limited management group. Such ETFs/index funds may also be subject to rapid cyclical changes in investor activity, regulatory changes and / or the supply of and demand for specific products and services. As a result, a stock market or economic downturn in the relevant specific sector or sectors or a regulatory change having disproportionate impact on the specific sector would have a larger impact on an ETF/index fund that concentrates its investments in that sector or sectors than on a more diversified Fund.

xvi. Depositary Receipts Risk: the issuers of certain depositary receipts are under no obligation to distribute shareholder communications to the holders of such receipts, or to pass through to them any voting rights with respect to the deposited securities. Investment in depositary receipts may be less liquid than the underlying shares in their primary trading market. Depositary receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. In addition, the issuers of the stock underlying unsponsored depositary receipts are not obligated to disclose material information in the United States.

xvii. Restrictions on Foreign Investment: Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. As illustrations, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of an Underlying ETF/index fund . For example, an Underlying ETF/index fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the share purchases re-registered in the name of the Underlying ETF/index fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which an Underlying ETF/index fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where an Underlying ETF places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation to foreign investors has been filled, depriving the Underlying ETF/index fund of the ability to make its desired investment at the time.

xviii. Substantial limitations may exist in certain countries with respect to an Underlying ETFs/index funds ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. An Underlying ETF/index fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Underlying ETF/index fund of any restriction on investments. A number of countries have authorised the formation of closed-end investment companies to facilitate indirect foreign investment in their capital markets. Shares of certain closed-end investment companies may at times be acquired only at market prices representing premiums to their net asset values. If an Underlying ETF/index fund acquires shares in closed-end investment companies, shareholders would bear both their proportionate share of expenses in the ETF/index fund (including management fees) and, indirectly, the expenses of such closed end investment companies. In addition, certain countries such as India and the PRC implement quota restrictions on foreign ownership of certain onshore investments. These investments may at times be acquired only at market prices representing premiums to their net asset values and such premiums may ultimately be borne by the relevant Underlying ETF/index fund.

xix. Taxation of underlying ETFs/index funds and assets: Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. As a result, the Underlying ETF/index fund (and therefore the Scheme) could become subject to additional taxation in such countries.

xx. Investors should note that there may be additional taxes, charges or levies applied in respect of the ETF's investments depending on the location of the assets of the Underlying ETF/index fund and the jurisdiction in which the Underlying ETF/index fund is located, registered or operated. Investors should also note that the Underlying ETF's/index funds investment managers and the ETF's/index funds ability to provide tax information and audited accounts in respect of the Underlying ETF/index fund to Unit Holders of the Scheme is dependent on the relevant tax and other information being provided in timely fashion. Accordingly, delays may occur in respect of delivery of such information to the Scheme's Unit Holders.

xxi. Currency Risk: The assets in which the Underlying ETF/index fund is invested and the income from the assets may be quoted in currencies which are different from the Underlying ETF's/index funds base currency. The performance of the Underlying ETF/index fund may therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the Underlying ETF's/index funds base currency and hence there can be the prospect of additional loss or gain for the Unit Holder than what may be normally derived from the assets in which the Underlying ETF/index fund invests. The performance of the Underlying ETF/index fund may also be affected by changes in exchange control regulations. Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed. Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations. Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimize the effect of currency fluctuations may not always be successful.

xxii. Valuation Risk: The price the underlying ETF/index fund could receive upon the sale of a security or other asset may differ from the underlying ETF's/index funds valuation of the security or other asset and from the value used by the Underlying Index, particularly for securities or other assets that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or for other reasons. The underlying ETF's/index funds ability to value investments may be impacted by technological issues or errors by pricing services or other thirdparty service providers.

xxiii. Risks Associated with Derivatives: The Underlying ETF/index fund may use derivatives in connection with its investment strategies. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the investment manager of the Underlying ETF/index fund to identify such opportunities. Identification and execution of the strategies to be pursued by the investment manager of the Underlying ETF/index fund involve uncertainty and decision of the investment manager of may not always be profitable. No assurance can be given that the investment manager of the Underlying ETF/index fund will be able to identify or execute such strategies.

xxiv. 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. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in the losses that significantly exceed the Underlying ETF's/index funds original investment. Certain derivatives may give rise to a form of leverage. Due to the low margin deposits normally required in trading financial derivative instruments, an extremely high degree of leverage is typical for trading in financial derivative instruments. As a result, the Underlying ETF/index fund may be more volatile than if the Underlying ETF/index fund had not been leveraged. A relatively small price movement in a derivative contract may result in substantial losses to the investor.

xxv. Derivatives are also subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives for hedging or risk management purposes or to increase income or gain may not be successful, resulting in losses to the Underlying ETF/index fund and the cost of such strategies may reduce the Underlying ETF's/index funds returns and increase the Underlying ETF's/index funds potential for loss.

xxvi. The Underlying ETF/index fund may take short positions on a security through the use of financial derivative instruments in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may also be subject to changes in regulations, which could impose restrictions that could adversely impact returns to investors.

xxvii. Risks of Exchange Traded Derivative Transactions: The securities exchange on which the shares of the Underlying ETF/index fund may be listed may have the right to suspend or limit trading in all securities which it lists. Such a suspension would expose the Underlying ETF/index fund to losses and delays in its ability to redeem shares.

xxviii. Legal risk – OTC Derivatives, Repurchase and Reverse Repurchase Transactions, Securities Lending and Re-used Collateral: There is a risk that agreements and derivatives techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in tax or accounting laws. In such circumstances, an underlying ETF/index fund may be required to cover any losses incurred. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may for example be governed by English or Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

xxix. Securities Lending: The underlying ETFs/index funds may engage in securities lending. The underlying ETFs/index funds engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. Fund investments can be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the underlying ETFs/index funds.

xxx. Infectious Illness Risk: An outbreak of an infectious respiratory illness, COVID 19, caused by a novel coronavirus has resulted in travel restrictions, disruption of healthcare systems, prolonged quarantines, cancellations, supply chain disruptions, lower consumer demand, layoffs, ratings downgrades, defaults and other significant economic impacts. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. Such events can have an impact on the underlying ETFs/index funds and could impact their ability to purchase or sell securities or cause elevated tracking error and increased premiums or discounts to the NAV. Other infectious illness outbreaks in the future may result in similar impacts.

xxxi. Operational Risk: The underlying ETFs/index funds are exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures.

xxxii. Counterparty Risk: An underlying ETF/index fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant underlying ETF/index

fund. This would include the counterparties to any derivatives, repurchase / reverse repurchase agreement or securities lending agreement that it enters into. Trading in derivatives which have not been collateralised gives rise to direct counterparty exposure.

Additional Risk associated with investing in underlying ETFs:

i. In addition to the recurring expenses of the Scheme, the Unit Holders shall also bear the applicable expenses of the Underlying ETF/index fund. Therefore, the returns that the Unit Holder of the Scheme may receive may be impacted or may, at times, be lower than the returns that a Unit Holder, who is directly investing in the same Underlying ETF/ index fund, could obtain.

ii. Index-Related Risk: There is no guarantee that the underlying ETF's/index funds investment results will have a high degree of correlation to those of the Underlying Index or that the underlying ETF/index fund will achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the underlying ETF's/index funds ability to adjust its exposure to the required levels in order to track the Underlying Index. Errors in index data, index computations or the construction of the Underlying Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the Index Provider for a period of time or at all, which may have an adverse impact on the underlying ETF/index fund. Unusual market conditions may cause the Index Provider to postpone a scheduled rebalance, which could cause the Underlying Index to vary from its normal or expected composition

iii. Passive Investment Risk: The underlying ETF/index fund is not actively managed, and the fund manager generally does not attempt to take defensive positions under any market conditions, including declining markets

iv. Tracking Error Risk: The underlying ETF/index fund may be subject to tracking error, which is the divergence of its performance from that of the Underlying Index. Tracking error may occur because of differences between the securities and other instruments held in the ETF/index fund portfolio and those included in the Underlying Index, pricing differences (including, as applicable, differences between a security's price at the local market close and the ETF's/index funds valuation of a security at the time of calculation of the Fund's NAV), transaction costs incurred by the ETF/index fund, the holding of uninvested cash, differences in timing of the accrual of or the valuation of dividends or interest, the requirements to maintain pass through tax treatment, portfolio transactions carried out to minimize the distribution of capital gains to shareholders, acceptance of custom baskets, changes to the Underlying Index or the costs to the ETF/index fund of complying with various new or existing regulatory requirements. This risk may be heightened during times of increased market volatility or other unusual market conditions. Tracking error also may result because the ETF/index fund incurs fees and expenses, while the Underlying Index does not.

Risk associated with favorable taxation of certain scheme in India:

In any event beyond the control of AMC if the scheme is not able to invest the minimum % of the threshold that it is required to invest in eligible asset classes as per the domestic income tax regulation and rule, the benefit of lower tax, if any, on income distribution or capital gains may not be available to the Unit Holders.

The summary of tax implications given in the taxation section (Units and Offer Section) is based on the existing provisions of the tax laws. The current taxation laws may change due to change in the domestic Tax Act or any subsequent changes / amendments in Finance Act / Rules / Regulations. Such change may entail a higher tax to the scheme or to the investors by way of any tax as made applicable thus adversely impacting the scheme.

The investor is requested to consult their tax counsel for detail understanding of the tax laws and the risk factor associated with such tax laws.

Risk factors related to Taxation of overseas investments:

Investment in U.S. Based Mutual Fund

(i) Capital Gains
As already noted, under Code Section 865(a)(2), income from the sale of personal property by a non-U.S resident is sourced outside of the U.S. Thus, generally capital gains derived by a non-U.S. investor from the sale of an investment in a U.S based mutual fund should not be subject tax in the U.S. However, if the mutual fund that is sold is a USRPHC, then the gain is considered to be effectively connected with a U.S. trade or business and thus subject to U.S net taxation, unless the mutual fund whose shares are sold is (a)publicly traded and the investor held an interest of 5% or less in the mutual fund at all times during the year preceding the sale or (b) the mutual fund is a domestically controlled qualified investment entity.

(ii) Income distributions from U.S mutual funds
Generally, under Code Section 881(a)(1)(A), dividend income received by a foreign corporation from sources within the U.S is subject to 30% withholding tax. A mutual fund that is not subject to the USRPHC-related rules described above may distribute ordinary dividends which should be subject to 30% withholding tax. Dividends designated by a Regulated Investment Company ("RIC") (e.g. a mutual fund) as capital gain dividends are treated as long term capital gains in the hands of the shareholders. Except as described above for mutual funds that otherwise qualify as USRPHCs, because long-term capital gains are sourced to the domicile of the recipient, such capital gain dividends should not be U.S source if the recipient is a non-U.S person, and thus would not be subject to U.S taxation

Code Section 881(e)(1) excludes interest-related dividends received from a RIC from the tax imposed by Code Section 881(a)(1). Under Code Section 881(e)(2), short-term capital gain dividends received from a RIC are also excluded from the tax imposed by Section 881(a)(1). A RIC will designate by written notice mailed to its shareholders whether a dividend (or part thereof) is a capital gain dividend, or, with respect to prior years, an interest related dividend or a short-term capital gain dividend.

Notwithstanding the foregoing, as noted above, under Code Section 897(h)(1), any distribution to a foreign person or other qualified investment entity by a qualified investment entity to the extent attributable to gain from sales or exchanges by the qualified investment entity of USRPIs, is treated as gain from the sale or exchange of a USRPI by the foreign person unless such distribution is with respect to stock that is publicly traded on a U.S exchange and the foreign person did not own more than 5% (or in the case of a REIT, no more than 10%) of such class of stock at any time during the 1 year period ending on the date of distribution. Where the distribution is treated as gain from the sale or exchange of a USRPI, the distribution is treated as income effectively connected to a U.S trade or business, subject to tax at U.S corporate tax rates and withheld on at a rate of 21% of the distribution. The total amount in tax paid should not exceed the liability as determined by applying the U.S corporate rate.

In addition, where distributions from the mutual fund are characterized as gain from the sale of a USRPI due to Code Section 897(h) discussed above, the income is considered effectively connected with the conduct of a U.S trade or business such that the branch profits tax provisions must be considered. Under Code Section 884(a), dividend equivalent amounts are subject to tax at a rate of 30%. The dividend equivalent amount is equal to a foreign corporation's effectively connected earnings and profits as determined under Code Section 884(b). Code Section 884(d)(2)(C) excludes gain on the disposition of an interest in a USRPHC from the definition of effectively connected earnings and profits. Thus, where Code Section 897(h) applies to treat a dividend distribution as the sale of a USRPI and subject it to withholding, there is branch profits tax as well unless the distribution/gain is related to the sale of USRPHC shares by the qualified investment entity. For detailed tax benefits, investors are requested to refer para on “Tax benefits of investing in Mutual Fund” as mentioned in the Statement of Additional Information.

Risks associated with investment in Sectoral / thematic fund:

Any sectoral or thematic fund will seek to invest in underlying investments belonging to a defined sector or the theme. Investor needs to understand that a specific sector/theme may not achieve desired result / growth and may also experience unexpected changes adversely affecting the performance, thus investing in a sectoral /thematic fund could involve potentially higher volatility and risk. Further the fund would be restricted to invest in underlying investments from the defined sectors/themes and thus the concentration risk is also expected to be high.

Risks associated with Overseas Securities:

Subject to necessary approvals, in terms of all applicable guidelines issued by SEBI and RBI from time to time and within the investment objectives of the Schemes, the Schemes may invest in overseas markets and securities which carry a risk on account of fluctuations in the foreign exchange rates, nature of securities market of the country concerned, repatriation of capital due to exchange controls and political circumstances. Further, the scheme may not be able to invest in overseas markets if overseas limits as per RBI and SEBI circulars are exhausted at AMC or industry level which may negatively impact the performance of the schemes.

i. **Currency Risk: The scheme may invest in overseas securities and the income from those securities may be quoted in currencies which are different from the schemes base currency. The performance of the scheme may therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the schemes base currency and hence there can be the prospect of additional loss or gain for the Unit Holder than what may be normally derived from the assets in which the scheme invests. The performance of the scheme fund may also be subject to exchange control regulations. Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed. Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations. Movements in currency exchange rates can adversely affect the return of your investment.**

ii. **Risks arising from exhaustion of overseas limits as per applicable SEBI and RBI circulars: The schemes capability to invest in overseas securities is subject to the limits assigned by the SEBI & RBI from time to time basis. In case of exhaustion of the limits to invest in overseas securities is exhausted either at an individual Mutual Fund level or at Industry level or otherwise as restricted by SEBI or RBI, the scheme may not be able to allocate and invest in overseas securities and the AMC will suitably reallocate the proceeds to other investments as permissible under the asset allocation specified in the scheme document.**

Risks associated with transacting in scheme units through stock exchange mechanism

In respect of transactions in units of the schemes through NSE and/or BSE or any other recognized stock exchange promoted platforms, allotment and redemption of Units on any Business Day will depend upon the order processing/settlement by NSE, BSE or such other exchange and their respective clearing corporations on which the AMC and Fund has no control. Further, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by NSE, BSE or such other recognized exchange in this regard.

Risks Associated with Investment in Cash and cash equivalents

- **Price-Risk or Interest-Rate Risk: Cash and cash equivalents run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing 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, Cash and cash equivalents 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.**

- **Reinvestment Risk: Investments in cash and cash equivalents 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 cash and cash equivalents 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.**

Risks associated with investing in Tri Party Repo (TREPS): DSP Mutual Fund is a member of Securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India Limited (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally by CCIL which helps reduce the settlement and counterparty risks for these transactions. CCIL manages the risks through its risk management processes such that the ultimate risk to its members from fails is either eliminated or reduced to the minimum. CCIL thus maintains margin and default fund contributions of each member for various business segments as per the terms of its Bye Laws, Rules and Regulations to cover potential losses arising from the default member. In an event of any clearing member failing to honor settlement obligations, the margin and default Fund is utilized to complete the settlement. As per the waterfall mechanism, after the defaulter’s margins and the defaulter’s contribution to the default fund have been utilized, CCIL’s own contribution is used to meet the losses and thereafter any residual loss is appropriated from the contributions of the non-defaulting members.Thus the scheme is subject to risk of the margin and default fund contribution being appropriated in the case of failure of any settlement obligations. Further, the scheme’s contribution may be used to meet the residual loss in case of default by the other clearing member (the defaulting member).The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

Risk Mitigation Strategies

DSPAM is committed to a strong control and compliance environment and ensuring that the management structure is appropriate to the scale of the business. DSPAM’s fiduciary business is managed according to the rules and a regulation stipulated for Asset Management Companies by the Securities & Exchange Board of India (SEBI) and also incorporates DSPAM’s internal policies. The AMC has systems and processes to monitor all the investment restrictions specified by SEBI and in this document on a regular basis.

Risk Associated with Overseas funds / ETFs:

i. Liquidity Risk on account of investments in overseas funds: The investments are made in international funds, which provide daily liquidity.

ii. Expense Risks associated with investments in overseas funds: The aggregate of expenses incurred by the Indian Fund-of-Funds scheme and the underlying international funds is subject to limits prescribed by SEBI.

iii. Portfolio Disclosure Risks associated with investments in overseas fund: Although full portfolio disclosure is not available at the end of each month, top ten holdings as well as sector holdings are made available at the end of each month for the overseas fund. Full portfolio holdings can be obtained from underlying Overseas funds generally with a three-month lag i.e. March portfolio can be obtained at the end of June

iv. Investment Policy and/or fundamental attribute change risks associated with investments in overseas funds: Investments are made in such international funds, which have similar investment objectives to the domestic fund in India. However, there exists possibility that there is a change in the fundamental attributes of the international fund. In such circumstances, the Investment Manager will seek to invest in other international funds, which have the same investment objective as the domestic fund.

v. Monitoring overseas investment limits:
The Investment Manager will keep monitoring the overseas investments limits. In case of an adverse event the Investment Manager may initiate appropriate action like investing across other areas as permitted by the scheme document or any other action to ensure that the investor interest is safeguarded.

Risks associated with investments in cash and cash equivalents:

The scheme will invest in 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.

Annexure 5

Existing Scheme Features w.r.t. "Where will the scheme invest?"

Section I- Where will the scheme invest-

The scheme will invest predominantly in units of BGF – WMF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

The Scheme will invest in

1) Units of BGF-WMF
The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus.

2) Money market securities include, but are not limited to
   - treasury bills,
   - commercial paper of public sector undertakings and private sector corporate entities,
   - reverse repurchase agreements,
   - TREPS (including Reverse repo in T-bills and Government Securities)
   - certificates of deposit of scheduled commercial banks and development financial institutions,
   - bills of exchange/promissory notes of public sector and private sector corporate entities (co-accepted by banks),
   - government securities with unexpired maturity of one year or less
   - and other money market securities as may be permitted by SEBI/RBI regulations

3) Units of Money market/liquid schemes of DSP Mutual Fund
4) Short Term Deposit

For detailed definition and applicable regulations/guidelines for each instrument please refer Section-II.

Investment in Overseas Financial Assets/Foreign Securities-

Investment in overseas shall be in according with the requirements stipulated by SEBI and RBI from time to time.

For detailed definition/description of instruments and applicable regulations/guidelines for instruments, please refer Section II.

Section II- where will scheme invest-

The scheme will invest predominantly in units of BGF – WMF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. The Scheme may also invest a certain portion of its corpus in money market securities and/or money market/liquid schemes of DSP Mutual Fund, in order to meet liquidity requirements from time to time.

1. Units of BGF – WMF

   The scheme will invest predominantly in units of BGF – WMF. The Scheme may, at the discretion of the Investment Manager, also invest in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus.

   For overview of the underlying fund, Investors are requested to refer 'Section II, Part III - Other Details of SID.'

2. Money market instruments as permitted by SEBI/RBI include, but are not limited to

   - Treasury bills (T-bills) are short-term government securities issued at a discount to their face value and mature within one year. They do not pay periodic interest but provide returns by maturing at their full face value, with the difference between the purchase price and the maturity value representing the investor's earnings. T-bills are considered low-risk investments due to government backing

   - Commercial Papers (CPs) are short-term, unsecured debt instruments issued by corporations, financial institutions, and other large entities to meet their immediate funding needs, such as working capital requirements. Typically issued at a discount to face value and with maturities ranging from a few days to one year, CPs offer investors a relatively safe, liquid investment option with competitive returns compared to other short-term instruments. Due to their short maturity periods, CPs are often used by companies as a cost-effective alternative to bank loans for short-term financing needs

   - Commercial Bills are short-term, negotiable financial instruments used in trade finance, representing a written order from one party (the drawer) to another (the drawee) to pay a specified amount to the bearer or a named party (the payee) at a future date. They are commonly used by businesses to finance their working capital needs by enabling the seller of goods to receive immediate payment, while the buyer gets a credit period to make the payment. These bills can be discounted with banks or financial institutions before maturity, providing liquidity to the holder. They play a crucial role in facilitating trade transactions and managing short-term funding requirements.

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

   - TREPS (including reverse repo in T-bills and G-sec)
     TREPs is a money market instrument that enables entities to borrow and lend against sovereign collateral security. The maturity ranges from 1 day to 90 days and can also be made available upto 1 year. Central Government securities including T-bills are eligible securities that can be used as collateral for borrowing through TREPs.

   - A Certificate of Deposit (CD) is a short- to medium-term, interest-bearing deposit instrument issued by banks and financial institutions to individuals or corporations. CDs have a fixed maturity date, typically ranging from a few months to several years, and offer a fixed interest rate higher than regular savings accounts. They are negotiable and can be traded in the secondary market before maturity. CDs provide a low-risk investment option for investors seeking predictable returns, as they are generally insured and backed by the issuing institution's creditworthiness.

   - bills of exchange/promissory notes of public sector and private sector corporate entities (co-accepted by banks)

   - government securities with unexpired maturity of one year or less

   - Any other money market securities as may be permitted by SEBI/RBI regulations

3. Units of Money market/liquid schemes of DSP Mutual Fund

   Units of mutual funds represent an investor's share in a mutual fund scheme. When investors buy mutual fund units, they pool their money with other investors to collectively invest in a diversified portfolio of assets such as stocks, bonds, or other securities. Each unit reflects the proportionate ownership of the fund's assets. The value of these units, known as the Net Asset Value (NAV), fluctuates based on the performance of the underlying assets.

4. Short-Term Deposits

   Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

<u>Applicable guidelines/details of instrument where the scheme will invest-</u>

<u>Investment in Short-Term Deposits-</u>

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 clause 12.16 of SEBI Master Circular.

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.

Inter scheme asset transfer –

Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under clause 12.30 of the SEBI Master Circular and amendments made from time to time. Further, clause 9.11 of the SEBI Master Circular, has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

Overview of Money Market in India -

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

Treasury bills are issued by the Government of India through regular weekly auctions, while Cash Management Bills are issued on an ad-hoc basis. They are mostly subscribed by banks, state governments, mutual funds and other entities. As on 31 May 2024, total outstanding treasury bills are Rs. 9,03,004 crore*.

Certificate of Deposits are issued by scheduled banks for their short-term funding needs. They are normally available for up to 365 days tenor. Certificate of deposits issued by public sector banks are normally rated A1+ (highest short-term rating) by various rating agencies. As on 31 May 2024, outstanding Certificate of Deposits are Rs. 3,69,209 crore*. Certificate of deposits currently trade at a spread of around 61 basis points** over comparable treasury bills as on 31 May 2024, for a one-year tenor.

Commercial Papers are issued by corporate entities for their short-term cash requirements. Commercial Papers are normally rated A1+ (highest short-term rating). As on 31 May 2024, total outstanding Commercial Papers are Rs. 4,03,970 crore*. Commercial papers trade at around 91 basis points** over comparable treasury bills as on 31 May 2024, for a one-year tenor.

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

*Source: Reserve Bank of India Bulletin, Weekly Statistical Supplement, June 7, 2024.

Overview of Overseas Debt Market-

The nature and number of debt instruments available in international debt markets is very wide. In terms of diverse instruments as well as liquidity, overseas debt markets offer great depth and are extremely well developed. Investment in international debt greatly expands the universe of top quality debt, which is no longer restricted to the limited papers available in the domestic debt market. The higher rated overseas sovereign, quasi-government and corporate debt offer lower default risk in addition to offering a high degree of liquidity since these are traded across major international markets. Investments in rated international debt offer multiple benefits of risk reduction, a much wider universe of top quality debt and also potential gains from currency movements.

Investments in international markets are most often in U.S. dollars, though the Euro, Pound Sterling and the Yen are also major currencies. Though this market is geographically well-spread across global financial centers, the markets in the U.S., European Union and London offer the most liquidity and depth of instruments.

Besides factors specific to the country / issuer, international bond prices are influenced to a large extent by a number of other factors; chief among these are the international economic outlook, changes in interest rates in major economies, trading volumes in overseas markets, cross currency movements among major currencies, rating changes of countries / corporations and major political changes globally.

Investment in Overseas Financial Assets/Foreign Securities-

According to clause 12.19 of the SEBI Master Circular mutual funds can invest in ADRs/GDRs/other specified foreign securities and such investments are subject to maximum of US $ 1 billion per Mutual Fund and overall limit of US$ 7 billion for all mutual funds put together. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund.

The dedicated fund manager appointed for making overseas investments by the Mutual Fund will be in accordance with the applicable requirements of SEBI.

Further, SEBI vide its letter no. SEBI/HO/OW/IMD-II/DOF3/P /25095/2022 dated June 17, 2022 had advised AMFI that Mutual Fund schemes may resume subscriptions and make investments in overseas funds/securities upto the headroom available, without breaching the overseas investment limits as of end of day of February 01, 2022 at Mutual Fund level.

SEBI vide email dated March 19, 2024, and AMFI email dated March 20, 2024, has directed AMCs to suspend subscriptions intending to invest in overseas ETFs w.e.f April 01, 2024. The investment in overseas securities (in other overseas schemes – other than overseas ETFs) may continue till further communication from SEBI.

On an ongoing basis, the AMC is allowed to invest in overseas securities upto 20% of the average Asset Under Management ('AUM') in overseas securities of the previous three calendar months subject to maximum limit of USD 1 billion at Fund house level. Clause 12.19.1.3.d of the SEBI Master Circular has clarified that the aforesaid 20% limit for ongoing investment in overseas securities will be soft limit for purpose of reporting only on a monthly basis to SEBI.

The Scheme will invest in the units BGF – WMF, at the discretion of the Investment Manager, in the units of similar overseas mutual funds, subject to all approvals vide Clause 12.19 of SEBI Master Circular and all applicable regulations / guidelines / directives / notifications, as may be stipulated by SEBI and RBI from time to time.

Proposed Scheme Features (Changes are highlighted in Bold) w.r.t. "Where will the scheme invest?"

Section I- Where will the scheme invest-

The scheme will invest in **units of overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals. The Scheme may also invest a certain portion of its corpus in cash & cash equivalents, in order to meet liquidity requirements from time to time.**

The Scheme will invest in

1) Units of BGF-WMF
2) Units of SPDR® S&P Metals and Mining ETF
3) Units of VanEck Rare Earth and Strategic Metals UCITS ETF
4) Units of iShares Copper and Metals Mining ETF
5) Cash and cash equivalents@
6) Short Term Deposit

@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.

For detailed definition and applicable regulations/guidelines for each instrument please refer Section II.

Investment in Overseas Financial Assets/Foreign Securities-

Investment in overseas shall be in according with the requirements stipulated by SEBI and RBI from time to time.

For detailed definition/description of instruments and applicable regulations/guidelines for instruments, please refer Section II.

Section II- where will scheme invest-
The scheme will invest in units **of overseas funds and/or ETFs investing in securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals. The Scheme may also invest a certain portion of its corpus in cash & cash equivalents, in order to meet liquidity requirements from time to time.**

1. Units of overseas mutual fund
Units of mutual funds represent an investor's share in a mutual fund scheme. When investors buy mutual fund units, they pool their money with other investors to collectively invest in a diversified portfolio of assets such as stocks, bonds, or other securities. Each unit reflects the proportionate ownership of the fund's assets. The value of these units, known as the Net Asset Value (NAV), fluctuates based on the performance of the underlying assets.

2. Units of overseas ETF
An Exchange-Traded Fund (ETF) is a fund that is traded on stock exchanges, much like stocks. ETFs hold a diversified portfolio of assets such as stocks, bonds, or commodities, and aim to track the performance of a specific index or sector. Investors can buy and sell ETF shares throughout the trading day at market prices, providing liquidity and flexibility. ETFs offer a cost-effective and accessible way to achieve diversified exposure to various markets and asset classes.

The scheme will invests in

1) Units of BGF-WMF
2) Units of SPDR® S&P Metals and Mining ETF
3) Units of VanEck Rare Earth and Strategic Metals UCITS ETF
4) Units of iShares Copper and Metals Mining ETF

For overview of the underlying fund, Investors are requested to refer 'Section II, Part III - Other Details of SID'

3. Cash and Cash Equivalents –
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:

- **TREPS,**
- **Treasury Bills,**
- **Government securities, and**
- **Repo on Government Securities and any other securities as may be allowed under the regulations prevailing from time to time.**

a) TREPS: TREPs is a money market instrument that enables entities to borrow and lend against sovereign collateral security. The maturity ranges from 1 day to 90 days and can also be made available upto 1 year. Central Government securities including T-bills are eligible securities that can be used as collateral for borrowing through TREPs.

b) Treasury Bills: Treasury bills (T-bills) are short-term government securities issued at a discount to their face value and mature within one year. They do not pay periodic interest but provide returns by maturing at their full face value, with the difference between the purchase price and the maturity value representing the investor's earnings. T-bills are considered low-risk investments due to government backing.

c) **Government Securities: Securities created and issued by the Central Government and/or a State Government (including Treasury Bills) or Government Securities as defined in the Government Securities Act, 2006, as amended or re-enacted from time to time.**

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

4. Short-Term Deposits

Pending deployment of funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Scheduled Commercial Banks, subject to guidelines and limits specified by SEBI.

Applicable guidelines/details of instrument where the scheme will invest-

Investment in Short-Term Deposits-

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 clause 12.16 of SEBI Master Circular.

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.

Inter scheme asset transfer –

Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under clause 12.30 of the SEBI Master Circular and amendments made from time to time. Further, clause 9.11 of the SEBI Master Circular, has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

Overview of Overseas Debt Market-

The nature and number of debt instruments available in international debt markets is very wide. In terms of diverse instruments as well as liquidity, overseas debt markets offer great depth and are extremely well developed. Investment in international debt greatly expands the universe of top quality debt, which is no longer restricted to the limited papers available in the domestic debt market. The higher rated overseas sovereign, quasi-government and corporate debt offer lower default risk in addition to offering a high degree of liquidity since these are traded across major international markets. Investments in rated international debt offer multiple benefits of risk reduction, a much wider universe of top quality debt and also potential gains from currency movements.

Investments in international markets are most often in U.S. dollars, though the Euro, Pound Sterling and the Yen are also major currencies. Though this market is geographically well-spread across global financial centers, the markets in the U.S., European Union and London offer the most liquidity and depth of instruments.

Besides factors specific to the country / issuer, international bond prices are influenced to a large extent by a number of other factors; chief among these are the international economic outlook, changes in interest rates in major economies, trading volumes in overseas markets, cross currency movements among major currencies, rating changes of countries / corporations and major political changes globally.

Investment in Overseas Financial Assets/Foreign Securities-

According to clause 12.19 of the SEBI Master Circular mutual funds can invest in ADRs/GDRs/other specified foreign securities and such investments are subject to maximum of US $ 1 billion per Mutual Fund and overall limit of US$ 7 billion for all mutual funds put together. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund.

The dedicated fund manager appointed for making overseas investments by the Mutual Fund will be in accordance with the applicable requirements of SEBI.

Further, SEBI vide its letter no. SEBI/HO/OW/IMD-II/DOF3/P /25095/2022 dated June 17, 2022, had advised AMFI that Mutual Fund schemes may resume subscriptions and make investments in overseas funds/securities upto the headroom available, without breaching the overseas investment limits as of end of day of February 01, 2022, at Mutual Fund level.

SEBI vide email dated March 19, 2024, and AMFI email dated March 20, 2024, has directed AMCs to suspend subscriptions intending to invest in overseas ETFs w.e.f. April 01, 2024. The investment in overseas securities (in other overseas schemes – other than overseas ETFs) may continue till further communication from SEBI.

On an ongoing basis, the AMC is allowed to invest in overseas securities upto 20% of the average Asset Under Management ('AUM') in overseas securities of the previous three calendar months subject to maximum limit of USD 1 billion at Fund house level. Clause 12.19.1.3.d of the SEBI Master Circular has clarified that the aforesaid 20% limit for ongoing investment in overseas securities will be soft limit for purpose of reporting only on a monthly basis to SEBI.

Apart from above, the Scheme may, at the discretion of the Investment Manager/fund manager, also invest in the units of other overseas funds/ETFs which provides exposure to securities of companies involved in mining and metals whose predominant economic activity is the production of metals and industrial minerals subject to fundamental attribute change.

Existing Scheme Features w.r.t. "Overview of underlying Funds"-

In case of Fund of Funds Scheme, Details of Benchmark, Investment Objective, Investment Strategy, TER, AUM, Year wise performance, Top 10 Holding/ link to Top 10 holding of the underlying fund should be provided – The same is provided below

Overview of the underlying fund - BGF – WMF

<table>
<tr><td>Investment Objective</td><td>The Fund seeks to maximise total return expressed in US dollars by investing in the equity securities of mining and metals companies worldwide whose predominant economic activity is the production of base metals and industrial minerals such as iron ore and coal. The fund may also invest in gold or other precious metal or mineral mining companies. The fund does not hold physical gold or metal.</td></tr>
<tr><td>Investment Strategy of the BGF - WMF</td><td>The team aspires to be the leading manager of Natural Resources funds and recognised as having unrivalled skills in generating outstanding investment performance.

The team invests through the natural resources investment cycle, combining bottom-up, fundamental analysis of companies with a top-down macro and industry overlay. We believe that markets are not fully efficient and that through our detailed knowledge of natural resources companies, we can generate alpha over the long-term. While this is our belief, no investment is risk free. Proprietary technology platforms may help manage risk, but risk cannot be eliminated.

The team constantly seek differentiated sources of alpha and believe investing in natural resources equities requires a flexible investment style. Differentiated sources of returns include:

• Growth potential - we seek investments in companies with long-term structural drivers for above market earnings growth
• Relative valuation and re-rating potential - we analyse the valuations of companies and sub-sectors relative to each other and relative to their own histories as we seek to identify and exploit mispricing opportunities
• Turnaround stories - we seek investments in companies that have fallen out of favour but have catalysts which we believe will see them return to favour
• Long-term sustainable business models - we incorporate companies that have a strong portfolio of assets, which are not easily replicable, that are able to deliver consistent growth
• Commodity / macro tilts - our commodity / macro analysis leads us to favour certain commodities, sub-sectors and geographical regions over others. With these views in mind, we use our in-depth fundamental analysis to identify those companies best placed to take advantage of the direction of travel

Given the volatility and cyclicality of the natural resources sector, we feel strongly that we need to maintain flexibility in order to generate returns for our clients. Depending on the macroeconomic backdrop and depending on where we believe we are in the investment cycle, we will emphasize some sources of alpha over others. For example, during periods of rising commodity prices and improving market sentiment, we will typically emphasize growth potential stories.

The management of risk is central to our investment philosophy, and we are able to benefit from BlackRock's sophisticated risk management tools. The team views BlackRock's Risk and Quantitative Analysis division (RQA) as a business partner to help build and maintain portfolios with appropriate and deliberate levels of risk. Environmental, Social and Corporate Governance (ESG) considerations are also embedded in the team's investment philosophy and process. The team has a rigorous and systematic approach to reviewing ESG risks at an industry and company level. Our site visits provide valuable information to further assess quantitative data provided by third parties. Our firm belief is that companies must consider and address ESG issues in order to maintain their social license to operate and therefore they are an important determinant of investment performance.</td></tr>
<tr><td>AUM</td><td>5,176.00 USD in million as on 31ST May 2024</td></tr>
<tr><td>Benchmark</td><td>MSCI ACWI Metals & Mining 30% Buffer 10/40 Index</td></tr>
<tr><td>Performance</td><td>BGF World Mining Fund, Class I2, USD Accumulating (ISIN: LU0368260294)

<table><tr><th>Period</th><th>Fund</th><th>Benchmark</th></tr><tr><td>1-year</td><td>14.77%</td><td>21.57%</td></tr><tr><td>3-year</td><td>0.42%</td><td>0.74%</td></tr><tr><td>5-year</td><td>14.93%</td><td>15.71%</td></tr><tr><td>Since Inception</td><td>1.18%</td><td>2.92%</td></tr></table>
Performance as of 31st May 2024. Subject to change. Net performance returns given in USD. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Inception: 10th August 2010. Returns are cumulative.</td></tr>
<tr><td>Total Expense Ratio</td><td>As on 31st May 2024, the Total Expense Ratio was 1.05%</td></tr>
</table>

Top ten holdings as on 31st May 2024.	<table><tr><th>Top 10 Holdings</th><th>Fund %</th></tr><tr><td>GLENCORE PLC</td><td>8.69%</td></tr><tr><td>RIO TINTO PLC</td><td>6.59%</td></tr><tr><td>FREEPORT-MCMORAN INC</td><td>6.17%</td></tr><tr><td>BHP GROUP LTD</td><td>6.15%</td></tr><tr><td>ANGLO AMERICAN PLC</td><td>5.66%</td></tr><tr><td>NEWMONT CORPORATION</td><td>4.79%</td></tr><tr><td>TECK RESOURCES LTD</td><td>4.17%</td></tr><tr><td>AGNICO EAGLE MINES LTD (ONTARIO)</td><td>3.94%</td></tr><tr><td>WHEATON PRECIOUS METALS CORP</td><td>3.88%</td></tr><tr><td>IVANHOE MINES LTD</td><td>3.87%</td></tr><tr><td>Total</td><td>53.90%</td></tr></table>
Link of Product page	https://www.blackrock.com/lu/intermediaries/products/229996/blackrock-world-mining-i2-usd-fund

The underlying fund where the Scheme will invest shall be compliant with all provisions of Clause 12.19 of SEBI Master Circular.

Annexure 8

Proposed Scheme Features (changes are highlighted in bold) w.r.t. "Overview of underlying Funds"-

BGF World Mining Fund

Investment Objective	**The BGF World Mining Fund aims to maximise the return on your investment through a combination of capital growth and income on the Fund's assets.**
Investment Strategy	The team aspires to be the leading manager of Natural Resources funds and recognised as having unrivalled skills in generating outstanding investment performance. The team invests through the natural resources investment cycle, combining bottom-up, fundamental analysis of companies with a top-down macro and industry overlay. We believe that markets are not fully efficient and that through our detailed knowledge of natural resources companies, we can generate alpha over the long-term. While this is our belief, no investment is risk free. Proprietary technology platforms may help manage risk, but risk cannot be eliminated. The team constantly seek differentiated sources of alpha and believe investing in natural resources equities requires a flexible investment style. Differentiated sources of returns include: **Growth potential** - we seek investments in companies with long-term structural drivers for above market earnings growth **Relative valuation and re-rating potential** - we analyse the valuations of companies and sub-sectors relative to each other and relative to their own histories as we seek to identify and exploit mispricing opportunities **Turnaround stories** - we seek investments in companies that have fallen out of favour but have catalysts which we believe will see them return to favour **Long-term sustainable business models** - we incorporate companies that have a strong portfolio of assets, which are not easily replicable, that are able to deliver consistent growth **Commodity / macro tilts** - our commodity / macro analysis leads us to favour certain commodities, sub-sectors and geographical regions over others. With these views in mind, we use our in-depth fundamental analysis to identify those companies best placed to take advantage of the direction of travel Given the volatility and cyclicality of the natural resources sector, we feel strongly that we need to maintain flexibility in order to generate returns for our clients. Depending on the macroeconomic backdrop and depending on where we believe we are in the investment cycle, we will emphasize some sources of alpha over others. For example, during periods of rising commodity prices and improving market sentiment, we will typically emphasize growth potential stories. The management of risk is central to our investment philosophy, and we are able to benefit from BlackRock's sophisticated risk management tools. The team views BlackRock's Risk and Quantitative Analysis division (RQA) as a business partner to help build and maintain portfolios with appropriate and deliberate levels of risk. Environmental, Social and Corporate Governance (ESG) considerations are also embedded in the team's investment philosophy and process. The team has a rigorous and systematic approach to reviewing ESG risks at an industry and company level. Our site visits provide valuable information to further assess quantitative data provided by third parties. Our firm belief is that companies must consider and address ESG issues in order to maintain their social license to operate and therefore they are an important determinant of investment performance
AUM	**4866.13 USD in million as on 31st July 2024**
Benchmark	MSCI ACWI Metals & Mining 30% Buffer 10/40 Index

<table>
<tr><td>Performance as on 31 July 2024 (in USD terms):</td><td>BGF World Mining Fund, Class I2, USD Accumulating (ISIN: LU0368260294)
<table>
<tr><th>Period</th><th>Fund
BGF – WMF</th><th>Benchmark
MSCI ACWI Metals & Mining 30% Buffer 10/40 Index</th></tr>
<tr><td>1-year</td><td>-4.24</td><td>0.96</td></tr>
<tr><td>3-year</td><td>-0.77</td><td>-0.08</td></tr>
<tr><td>5-year</td><td>11.16</td><td>12.47</td></tr>
<tr><td>10-year</td><td>3.42</td><td>5.72</td></tr>
<tr><td>Since Inception</td><td>0.76</td><td>2.54</td></tr>
</table>
Source: BlackRock, as at 31 July 2024. Subject to change. Net performance returns given in USD. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Share class inception: 10 August 2010. Returns are cumulative</td></tr>
<tr><td>Total Expense Ratio (Class I)</td><td>As on 31 July 2024, the Total Expense Ratio for the Class I2 USD Accumulating share class of the Fund was 1.05%.</td></tr>
<tr><td>Top ten holdings as at 31 July 2024.</td><td>Please see the table below:
<table>
<tr><th>Top 10 Holdings</th><th>Fund %</th></tr>
<tr><td>GLENCORE PLC</td><td>8.25%</td></tr>
<tr><td>RIO TINTO PLC</td><td>6.43%</td></tr>
<tr><td>FREEPORT-MCMORAN INC</td><td>6.05%</td></tr>
<tr><td>BHP GROUP LTD</td><td>5.86%</td></tr>
<tr><td>ANGLO AMERICAN PLC</td><td>4.97%</td></tr>
<tr><td>NEWMONT CORPORATION</td><td>5.90%</td></tr>
<tr><td>TECK RESOURCES LTD</td><td>4.14%</td></tr>
<tr><td>AGNICO EAGLE MINES LTD (ONTARIO)</td><td>5.65%</td></tr>
<tr><td>WHEATON PRECIOUS METALS CORP</td><td>4.46%</td></tr>
<tr><td>IVANHOE MINES LTD</td><td>3.69%</td></tr>
<tr><td>Total</td><td>55.40%</td></tr>
</table>
Source: BlackRock, as at 31 July 2024. Subject to change.</td></tr>
<tr><td>Link to Product Page</td><td>https://www.blackrock.com/lu/intermediaries/products/229996/blackrock-world-mining-fund</td></tr>
</table>

SPDR® S&P Metals and Mining ETF

Investment Objective	**The SPDR S&P Metals & Mining ETF seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index derived from the metals and mining segment of a U.S. total market composite index.**
Investment Strategy	**In seeking to track the performance of the S&P Metals & Mining Select Industry Index, its benchmark, the Fund employs a sampling strategy, which means that the Fund is not required to purchase all of the securities represented in the Index. Instead, the Fund may purchase a subset of the securities in the Index in an effort to hold a portfolio of securities with generally the same risk and return characteristics of the Index. The quantity of holdings in the Fund will be based on a number of factors, including asset size of the Fund.** **Based on its analysis of these factors, SSGA Funds Management, Inc. ("Adviser"), the investment adviser to the Fund, either may invest the Fund's assets in a subset of securities in the Index or may invest the Fund's assets in substantially all of the securities represented in the Index in approximately the same proportions as the Index, as determined by the Adviser to be in the best interest of the Fund in pursuing its objective. Under normal market conditions, the Fund generally invests substantially all, but at least 80%, of its total assets in the securities comprising the Index. In addition, in seeking to track the Index, the Fund may invest in equity securities that are not included in the Index, cash and cash equivalents or money market instruments, such as repurchase agreements and money market.** **In seeking to track the Index, the Fund's assets may be concentrated in an industry or group of industries, but only to the extent that the Index concentrates in a particular industry or group of industries.**
AUM as on 14th Aug 2024	**1590.52 USD in million**
Benchmark	**S&P Metals & Mining Select Industry Index**
Total Expense Ratio	**As on 31st July 2024, the total expense ratio was 0.35%** **Source: SPDR®, subject to change.**

Performance	<table><tr><td rowspan="3">Period</td><td>Fund</td><td>Benchmark</td></tr><tr><td>SPDR® S&P Metals and Mining ETF</td><td>S&P Metals & Mining Select Industry Index</td></tr><tr><td colspan="2">(CAGR %) (USD)</td></tr><tr><td>1-Year</td><td>18.69%</td><td>19.12%</td></tr><tr><td>3-Year</td><td>13.51%</td><td>13.87%</td></tr><tr><td>5-Year</td><td>19.27%</td><td>19.68%</td></tr><tr><td>10-Year</td><td>6.01%</td><td>6.13%</td></tr><tr><td>Since Inception</td><td>3.50%</td><td>3.64%</td></tr></table> Source: SPDR®, As on 31st July 2024 **Inception Date: (Date on which SPDR® S&P Metals and Mining ETF originated – 19-June-2006) CAGR - Compounded Annualized Growth Rate Past Performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.
Top ten holdings as on 30th Jun 2024.	Please see the table below: <table><tr><td>Top 10 Holdings</td><td>Fund %</td></tr><tr><td>CARPENTER TECHNOLOGY</td><td>4.97%</td></tr><tr><td>STEEL DYNAMICS INC</td><td>4.95%</td></tr><tr><td>ALCOA CORP</td><td>4.84%</td></tr><tr><td>ATI INC</td><td>4.79%</td></tr><tr><td>UNITED STATES STEEL CORP</td><td>4.78%</td></tr><tr><td>CLEVELAND CLIFFS INC</td><td>4.76%</td></tr><tr><td>RELIANCE INC</td><td>4.75%</td></tr><tr><td>ROYAL GOLD INC</td><td>4.74%</td></tr><tr><td>NEWMONT CORP</td><td>4.73%</td></tr><tr><td>NUCOR CORP</td><td>4.71%</td></tr><tr><td>TOTAL</td><td>48.02%</td></tr></table> Source: SPDR®, subject to change.
Link to Product Page	https://www.ssga.com/us/en/intermediary/etfs/funds/spdr-sp-metals-mining-etf-xme

VanEck Rare Earth and Strategic Metals UCITS ETF

Investment Objective	VanEck Rare Earth/Strategic Metals ETF seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the MVIS®Global Rare Earth/Strategic Metals Index (MVREMXTR), which is intended to track the overall performance of companies involved in producing, refining, and recycling of rare earth and strategic metals and minerals.
Investment Strategy	The fund seeks to replicate MVIS®Global Rare Earth/Strategic Metals Index (MVREMXTR), its benchmark. It comprises of A focused group of companies primarily engaged in a variety of activities that are related to the producing, refining and recycling of rare earth and strategic metals and minerals.
AUM as on 31 July 2024	78.6 USD in million
Benchmark	MVIS Global Rare Earth/Strategic Metals Index
Total Expense Ratio	As at 31 July 2024, the total expense ratio was 0.59% Source: VanEck, subject to change.
Performance as on July 31, 2024.	<table><tr><td rowspan="3">Period</td><td>Fund</td><td>Benchmark</td></tr><tr><td>VanEck Rare Earth and Strategic Metals UCITS ETF</td><td>MVIS Global Rare Earth/Strategic Metals Index</td></tr><tr><td colspan="2">(CAGR %) (USD)</td></tr><tr><td>1-Year</td><td>-49.15%</td><td>-49.03%</td></tr><tr><td>3-Year</td><td>-</td><td>-25.83%</td></tr><tr><td>5-Year</td><td>-</td><td>1.28%</td></tr><tr><td>10-Year</td><td>-</td><td>-6.83%</td></tr><tr><td>Since Inception</td><td>-27.56%</td><td>-27.66%</td></tr></table> Source: VanEck **Inception Date: (Date on which VanEck Rare Earth and Strategic Metals UCITS ETF originated – 24-Sept-2021) CAGR - Compounded Annualized Growth Rate Past Performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Top ten holdings as at 31st July 2024.	Please see the table below: <table><tr><td>Top 10 Holdings</td><td>Fund %</td></tr><tr><td>ALBEMARLE CORP</td><td>7.66%</td></tr><tr><td>PILBARA MINERALS LTD</td><td>7.72%</td></tr><tr><td>ARCADIUM LITHIUM PLC</td><td>6.16%</td></tr><tr><td>LYNAS RARE EARTHS LTD</td><td>5.93%</td></tr><tr><td>SOCIEDAD QUIMICA Y MINERA DE CHILE SA</td><td>6.91%</td></tr><tr><td>MP MATERIALS CORP</td><td>5.31%</td></tr><tr><td>CHINA NORTHERN RARE EARTH GROUP HIGH-TE</td><td>6.65%</td></tr><tr><td>JINDUICHENG MOLYBDENUM CO LTD</td><td>4.96%</td></tr><tr><td>TRONOX HOLDINGS PLC</td><td>4.28%</td></tr><tr><td>XIAMEN TUNGSTEN CO LTD</td><td>4.85%</td></tr><tr><td>TOTAL</td><td>60.43%</td></tr></table> Source: VanEck, subject to change.
Link to Product Page	https://www.vaneck.com/lu/en/rare-earth-etf/

iShares Copper and Metals Mining ETF

Investment Objective	The iShares Copper and Metals Mining ETF (the "Fund") seeks to track the investment results of an index composed of U.S. and non-U.S. equities of companies primarily engaged in copper and metal ore mining.
Investment Strategy	The Fund seeks to track the investment results of the STOXX Global Copper and Metals Mining Index (the "Underlying Index"), which has been developed by STOXX Ltd. (the "Index Provider" or "STOXX"). The Underlying Index is composed of U.S. and non-U.S. equity securities selected from the STOXX Global Copper Universe Index (the "Parent Index"). The Parent Index is composed of large-, mid- and small- capitalization stocks from developed and emerging markets. The Underlying Index captures the performance of equity securities of companies involved in copper and metal ore mining.
AUM as on 30th June 2024	37.63 USD in million
Benchmark	STOXX Global Copper and Metals Mining Index
Total Expense Ratio as at 30th June 2024	The total expense ratio was 0.47% Source: iShares, subject to change.
Performance as on 31st July 2024.	<table><tr><td>Period</td><td>Fund</td><td>Benchmark</td></tr><tr><td></td><td>iShares Copper and Metals Mining ETF</td><td>STOXX Global Copper and Metals Mining Index</td></tr><tr><td></td><td>(CAGR %) (USD)</td><td></td></tr><tr><td>1-Year</td><td>11.13</td><td>11.45</td></tr><tr><td>3-Year</td><td>-</td><td>-</td></tr><tr><td>5-Year</td><td>-</td><td>-</td></tr><tr><td>Since Inception</td><td>19.81</td><td>20.44</td></tr></table> Source: iShares **Inception Date: (Date on which iShares Copper and Metals Mining ETF originated – 21 Jun 2023) CAGR - Compounded Annualized Growth Rate Past Performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.
Top ten holdings as on July 31, 2024.	Please see the table below: <table><tr><td>Top 10 Holdings</td><td>Fund %</td></tr><tr><td>Grupo Mexico B</td><td>8.88%</td></tr><tr><td>Freeport McMoran Inc</td><td>7.62%</td></tr><tr><td>Southern Copper Corp</td><td>6.44%</td></tr><tr><td>BHP Group Ltd</td><td>7.75%</td></tr><tr><td>Antofagasta PLC</td><td>6.33%</td></tr><tr><td>Ivanhoe Mines Ltd Class A</td><td>4.69%</td></tr><tr><td>Lundin Mining Corp</td><td>4.24%</td></tr><tr><td>First Quantum Minerals Ltd</td><td>6.64%</td></tr><tr><td>KGHM Polska Miedz SA</td><td>4.40%</td></tr><tr><td>Capstone Copper Corp</td><td>4.59%</td></tr><tr><td>TOTAL</td><td>61.58%</td></tr></table> Source: iShares, subject to change.
Link to Product Page	https://www.ishares.com/us/products/332280/#/

Existing Scheme Features w.r.t. "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 the scheme will invest, described earlier, as well as the SEBI (MF) Regulations, including Schedule VII thereof, as amended from time to time.

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

   In terms of clause 12.8.3 of SEBI Master Circular, following norms for credit rating based single issuer limit for actively managed mutual fund schemes.

   A Scheme shall not invest more than:
   a. 10% of its NAV in debt and money market securities rated AAA; or
   b. 8% of its NAV in debt and money market securities rated AA; or
   c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

   The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of MF Regulation.

   Provided that such limit shall not be applicable for investments in Government securities, T-Bills and triparty repo on Government securities or treasury bills.

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

   Considering the nature of the Scheme, investments in such instruments will be permitted up to 5% of its NAV.

2. All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed.

3. Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under clause 12.30 of SEBI Master Circular and amendments made from time to time.

   Clause 9.11 SEBI Master Circular has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

4. The Mutual Fund shall get the securities purchased/transferred in the name of the Mutual Fund on account of the Schemes, wherever the instruments are intended to be of a long term nature.

5. Pending deployment of funds of the Scheme in terms of the investment objective of the Scheme, the Mutual Fund may invest them in short term deposits of scheduled commercial banks, in terms of clause 12.16 of SEBI Master Circular, subject to the following conditions:

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

6. The Scheme shall not 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.

7. 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.

8. The Underlying Schemes shall not invest in any other Fund of Funds scheme.

9. 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 Schemes 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 Schemes and the duration of such borrowing shall not exceed a period of six months.

10. 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.

11. The Scheme:
    a. shall not invest into another Fund of Funds Scheme
    b. shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed earlier.

12. As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds, money market instruments and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit.

13. Investment in Overseas Financial Assets/Foreign Securities-

    According to clause 12.19 of the SEBI Master Circular mutual funds can invest in ADRs/GDRs/other specified foreign securities and such investments are subject to maximum of US $ 1 billion per Mutual Fund and overall limit of US$ 7 billion for all mutual funds put together. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund.

    Further, SEBI vide its letter no. SEBI/HO/OW/IMD-II/DOF3/P /25095/2022 dated June 17, 2022 had advised AMFI that Mutual Fund schemes may resume subscriptions and make investments in overseas funds/securities upto the headroom available, without breaching the overseas investment limits as of end of day of February 01, 2022 at Mutual Fund level.

    SEBI vide email dated March 19, 2024, and AMFI email dated March 20, 2024, has directed AMCs to suspend subscriptions intending to invest in overseas ETFs w.e.f April 01, 2024. The investment in overseas securities (in other overseas schemes – other than overseas ETFs) may continue till further communication from SEBI

    On an ongoing basis, the AMC is allowed to invest in overseas securities upto 20% of the average Asset Under Management ('AUM') in overseas securities of the previous three calendar months subject to maximum limit of USD 1 billion at Fund house level. Clause 12.19.1.3.d of the SEBI Master Circular has clarified that the aforesaid 20% limit for ongoing investment in overseas securities will be soft limit for purpose of reporting only on a monthly basis to SEBI.

14. BGF-WMF and other underlying funds where the Scheme will invest shall be compliant with all provisions of Clause 12.19 of SEBI Master Circular. Further, the Investment Manager shall monitor the compliance of the said circulars on periodic basis.

15. 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.

Proposed Scheme Features (Changes are highlighted in Bold) w.r.t. "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 the scheme will invest, described earlier, as well as the SEBI (MF) Regulations, including Schedule VII thereof, as amended from time to time.

1. **The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:**

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

2. The Mutual Fund shall get the securities purchased/transferred in the name of the Mutual Fund on account of the Schemes, wherever the instruments are intended to be of a long term nature.

3. Transfer of investments from one Scheme to another Scheme in the Mutual Fund shall be allowed as per guidelines prescribed under clause 12.30 of SEBI Master Circular and amendments made from time to time.

   Clause 9.11 SEBI Master Circular has prescribed the methodology for determination of price to be considered for inter-scheme transfers.

4. Pending deployment of funds of the Scheme in terms of the investment objective of the Scheme, the Mutual Fund may invest them in short term deposits of scheduled commercial banks, shall be in terms of Clause 12.16 of the SEBI Master Circular subject to the following conditions:

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

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

5. The Scheme shall not 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 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 Schemes 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 Schemes and the duration of such borrowing shall not exceed a period of six months.

7. 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

8. The Scheme shall not invest into another Fund of Funds Scheme.

9. The Scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed earlier.

10. The Underlying Schemes shall not invest in any other Fund of Funds scheme.
11. As per Clause 12.24 of the SEBI Master Circular, the cumulative gross exposure through underlying funds and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the scheme. Cash and cash equivalents as per SEBI letter no. SEBI/HO/ IMD-II/DOF3/ OW/P/ 2021/ 31487 / 1 dated November 03, 2021 which includes T-bills, Government Securities, 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, having residual maturity of less than 91 Days, shall not be considered for the purpose of calculating gross exposure limit.

12. 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.

13. Underlying funds where the Scheme will invest shall be compliant with all provisions of Clause 12.19 of SEBI Master Circular. Further, the Investment Manager shall monitor the compliance of the said circulars on periodic basis.

14. Investment in Overseas Financial Assets/Foreign Securities

   According to clause 12.19 of the SEBI Master Circular mutual funds can invest in ADRs/GDRs/other specified foreign securities and such investments are subject to maximum of US $ 1 billion per Mutual Fund and overall limit of US$ 7 billion for all mutual funds put together. The overall ceiling for investment in overseas ETFs that invest in securities is US$ 1 billion subject to a maximum of US$ 300 million per mutual fund.

Further, SEBI vide its letter no. SEBI/HO/OW/IMD-II/DOF3/P /25095/2022 dated June 17, 2022 had advised AMFI that Mutual Fund schemes may resume subscriptions and make investments in overseas funds/securities upto the headroom available, without breaching the overseas investment limits as of end of day of February 01, 2022 at Mutual Fund level.

SEBI vide email dated March 19, 2024, and AMFI email dated March 20, 2024, has directed AMCs to suspend subscriptions intending to invest in overseas ETFs w.e.f April 01, 2024. The investment in overseas securities (in other overseas schemes – other than overseas ETFs) may continue till further communication from SEBI.

On an ongoing basis, the AMC is allowed to invest in overseas securities upto 20% of the average Asset Under Management ('AUM') in overseas securities of the previous three calendar months subject to maximum limit of USD 1 billion at Fund house level. Clause 12.19.1.3.d of the SEBI Master Circular has clarified that the aforesaid 20% limit for ongoing investment in overseas securities will be soft limit for purpose of reporting only on a monthly basis to SEBI.

15. 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.