

Update for IL&FS Transportation Networks Ltd (ITNL)

IL&FS Transportation is the flagship company of the group in the surface transportation sector. Our exposure to IL&FS Transportation Networks Ltd (ITNL) bonds are backed by parent support from IL&FS Ltd. Based on the parent support, our exposure was rated at AAA(SO) by CARE (at same level of rating as IL&FS) at the time of investment.

CARE had downgraded the rating of IL&FS Ltd. to BB from AA+ on September 9, 2018, on account of liquidity pressure at the group level. Our instrument was rated at BB (SO) post this rating change by CARE.

ICRA has further downgraded the rating of IL&FS Ltd. to D from BB on September 17, 2018, on account of delay in servicing of the commercial paper due on September 14, 2018.

Valuation impact

On account of the rating action, we are taking a further mark down of 25% (of original amount) today (September 17, 2018) in accordance with the principles of fair valuation as per regulations.

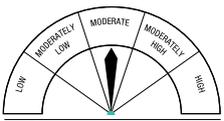
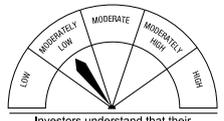
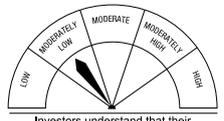
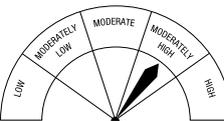
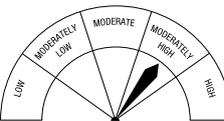
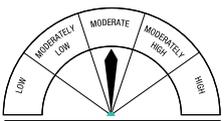
We have exposure to the security in DSP Ultra Short Fund, DSP Regular Savings Fund, DSP Bond Fund, DSP Equity & Bond Fund, DSP Credit Risk Fund and DSP FMP Series 195-36M.

Scheme Name	% of NAV (as on September 14, 2018)	Valuation Impact (approx)
DSP Ultra Short Fund	1.17%	0.39%
DSP Regular Savings Fund	3.58%	1.19%
DSP Bond Fund	1.45%	0.48%
DSP Equity & Bond Fund	0.60%	0.20%
DSP Credit Risk Fund	2.50%	0.83%
DSP FMP Series 195-36M	7.64%	2.55%

We continue to remain engaged with the company regarding any update on the capital raising plans.

Product Labelling:

RISKOMETER

<p>DSP Credit Risk Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). This Scheme is suitable for investor who are seeking* <ul style="list-style-type: none"> Income over a medium-term to long term investment horizon Investment predominantly in corporate bonds which are AA and below rated instruments </p>	 <p>Investors understand that their principal will be at moderate risk</p>
<p>DSP Bond Fund (An open ended medium term debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years (please refer page no. 32 under the section "Where will the Scheme invest" in the SID for details on Macaulay's Duration) This Scheme is suitable for investor who are seeking* <ul style="list-style-type: none"> Income over a medium-term investment horizon Investment in money market and debt securities </p>	 <p>Investors understand that their principal will be at moderately low risk</p>
<p>DSP Ultra Short Fund (An open ended ultra-short term debt scheme investing in debt and money market securities such that the Macaulay duration of the portfolio is between 3 months and 6 months (please refer page no. 19 under the section "Where will the Scheme invest?" in the SID for details on Macaulay's Duration) This Scheme is suitable for investor who are seeking* <ul style="list-style-type: none"> Income over a short-term investment horizon. Investments in money market and debt securities </p>	 <p>Investors understand that their principal will be at moderately low risk</p>
<p>DSP Equity & Bond Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) This Open Ended aggressive hybrid scheme is suitable for investors who are seeking* <ul style="list-style-type: none"> Capital growth and income over a long-term investment horizon Investment primarily in equity/equity-related securities, with balance exposure in money market and debt Securities </p>	 <p>Investors understand that their principal will be at moderately high risk</p>
<p>DSP Regular Savings Fund (An open ended hybrid scheme investing predominantly in debt instruments) This open ended conservative hybrid scheme is suitable for investor who are seeking* <ul style="list-style-type: none"> Income and capital growth over a medium-term investment horizon Investment predominantly in debt securities, with balance exposure in equity/equity-related securities </p>	 <p>Investors understand that their principal will be at moderately high risk</p>
<p>DSP FMP Series T95-36M This close ended income scheme is suitable for investor who are seeking* <ul style="list-style-type: none"> Income over an investment horizon of approximately 36 months term Investments in money market and debt securities with maturities on or before the maturity of the Scheme </p>	 <p>Investors understand that their principal will be at moderate risk</p>

*Investors should consult their financial/tax advisors if in doubt about whether the product is suitable for them.

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Mutual Fund investments are subject to market risks, read all scheme related document carefully.